

The Nation and The Athenæum

THE NATION. VOL. XXXVI., No. 18.]

SATURDAY, JANUARY 31, 1925.

[THE ATHENÆUM. No. 4944.]

CONTENTS

	PAGE		PAGE
EVENTS OF THE WEEK	599	THE WORLD OF BOOKS :—	
THE LIBERAL REVIVAL	602	Castlereagh. By Leonard Woolf	613
NAVAL LIMITATION AND THE FRENCH PROGRAMME	603	REVIEWS :—	
THE WEIR HOUSE. By B. S. Townroe	604	Mandeville's Fable. By Richard Aldington	614
LIFE AND POLITICS. By A. G. G.	605	"Beastly" Skelton. By Robert Graves	614
LETTERS TO THE EDITOR : "A Policy on the Protocol"		The Repressions of Shelley. By Raymond Mortimer	615
(Prof. P. J. Baker); Esthonia (A. Susan Lawrence and		The Plays of Mr. Galsworthy. By Edwin Muir	616
E. F. Hitchcock); The Boxer Indemnity Committee		Polynesian Ethnography. By W. J. Perry	616
(Y. P. Tsai); Religion and Science (Julian S. Huxley);		A Spanish Poet	618
The Future of Woman (Anthony M. Ludovici); "Cancer		Jutland Again!	618
Research" (Maud Marshall)	606-608	ON THE EDITOR'S TABLE	620
JAMES BOSWELL. By Lytton Strachey	609	NOVELS IN BRIEF	620
THE DISTRIBUTION OF BOOKS. By G. B. Bowes	610	FINANCIAL SECTION :—	
THE DRAMA :—		The Week in the City	622
The Literary Drama. By Francis Birrell	611	An Index of Stock Exchange Values	624
FROM ALPHA TO OMEGA. By Omicron	612	Indian Investments	624
		Venezuelan Oil Companies	626
		Yield on Gilt-Edged Securities	626

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EVENTS OF THE WEEK

THE principal event of the week is the announcement that Mr. Asquith is to become a member of the House of Lords, with the fine and dignified title of Earl of Oxford. This is, we believe, the best and happiest solution of the problem which has confronted the Liberal Leader since the last General Election. It will give the country the benefit of his ripe wisdom and experience without subjecting him to the fatigue of electioneering and of long sittings in the House of Commons. It is difficult for Liberals to acquiesce in the change without a pang, but they are bound to recognize that after many years of strenuous service Mr. Asquith is entitled to at least this measure of relaxation. At any rate, they can take pleasure in the other aspect of this event. No one has done more to earn the gratitude and respect of the nation, and no honour which it is within the power of the King to bestow would adequately express the esteem in which Mr. Asquith is generally held. It is pleasant, however, to place the national obligation on record by giving him a title with great associations, which is also specially appropriate to his own career.

The National Convention of Liberals, attended by about 2,000 delegates representing the rank and file of the party, which is meeting at the Kingsway Hall on Thursday and Friday of this week, has before it an interim report of Sir Donald Maclean's Reorganization Committee, appointed by Mr. Asquith immediately after the General Election. This report is concerned with the practical details of finance and organization, and it is being discussed in the private morning sessions of the Convention. The questions which seem most likely to be provoking controversy at these sessions are the suitability of the National Liberal Federation to be the custodian of party funds, and the best means by which a larger proportion of women and young Liberals may be given a prominent part in the organization. The afternoon sessions of the Convention, to which the Press is admitted, are being devoted to questions of policy, and a draft statement of Liberal aims, prepared by the Committee which arranged the Convention, is

under consideration. The Tory Press has been full of gleeful anticipations that this important gathering will be mainly occupied with the acrimonious discussion of personalities, but it may be hoped that this will have served to warn the delegates of the folly of thus playing into the hands of the enemy. Questions of leadership may safely be left to solve themselves, if and when they arise. The business of this Convention is to re-create an effective Liberal Party in the constituencies.

There has been a further exchange of Notes during the week between the Allies and the German Government on the subject of the evacuation of the Cologne Zone. In practice they carry matters no further, though in the sphere of theory they leave the respective stand-points of the two parties to the dispute rather more clearly defined than before. The contentions of fact put forward in the German Note of January 6th are simply brushed aside as matters which the Allied Governments are not at the present juncture prepared to discuss, and as "allegations which they could in no way accept." In the field of principle the German Government is rebuked for alleged misunderstanding of Articles 428 and 429 of the Treaty of Versailles; and a formulation of the Allies' reading of those articles is given which, though substantially not at variance with the plain sense of the Treaty, or indeed with the German construction of it, is in certain nuances calculated to give the impression that the Allies view evacuation of the Cologne Zone before the expiry of the fifteen-year period as rather in the nature of an act of grace on their part than as a clear-cut right claimable by Germany. The Note is satisfactory in that the Allies pledge themselves in explicit terms to inform Germany in a further communication "what still remains to be done by Germany for her obligations to be considered as having been faithfully carried out in the terms of Article 429 of the Treaty of Versailles."

The German Government in its reply protests against the Allies' merely formal contradiction of the German standpoint as presented in the German Note of

January 6th. No contribution is thereby made to the solution of the urgent question at issue. The German Government and people are left for a further period in a state of uncertainty concerning the fate of a wide expanse of German territory, and are still denied the opportunity of defending themselves against the charges made against them. "The German Government therefore expects that the Allied Governments will have the information previously mentioned communicated forthwith, and thereby create the necessary basis for a settlement of the present conflict." The charge of misinterpretation of Articles 428 and 429 of the Treaty is denied. The German Government, the Note declares, "has not disputed, and does not dispute, the fact that these Articles cause the evacuation of the Northern Zone of occupied Rhineland on January 10th, 1925, to depend on certain prior conditions. The purport of its contention is that the conditions are fulfilled." The argument is thus brought back to the wholesome basis of fact. Its settlement to the satisfaction of the world conscience demands, in our view, as a primary condition, the publication of the *whole*—and not merely selected portions edited to taste under the auspices of Marshal Foch at Versailles—of the report presented by the Control Commission in Germany.

German opinion is meanwhile coming increasingly to recognize the intimate connection between the questions of Rhenish freedom and French security; and it is not without significance that the leading organ of the Centre Party in Germany, the Berlin "Germania," in its issue of the 25th, published an article advocating for the solution of these practically intertwined problems a Franco-German Pact. The Centre Party, though not included in the present German Government, holds that Government in the hollow of its hand: and it is determined precisely in the field of international affairs to permit no developments reducing the possibility of a peaceful solution of European problems. The fact, therefore, that this party—which, incidentally, also turns the scales in favour of Republican institutions in Germany—is ventilating a positive policy of appeasement by direct understanding with France is a matter of more than minor significance. Rumours that the German Government itself will shortly approach Allied diplomatic quarters with proposals tending in the same direction, or in that of a tripartite understanding including also this country, give it further weight. For our part, we view with sympathy any direct attempt to lessen Franco-German tension, and we greatly deplore the petty irritation which has been displayed in some quarters in this country at the tendency now apparent. In particular, the "Times" does a serious disservice to our good name as friends of peace and workers in the cause of European reconciliation by its contemptuous disparagement of "the German kite." The distaste of the Paris "Temps" for a Security solution tending to the credit of a Radical Government in France is more comprehensible.

The German political situation is still troubled. On January 22nd Herr Luther obtained a majority of eighty-six in the Reichstag for his declaration of policy. On the same day the Prussian Government resigned, as the result of its failure to obtain a vote of confidence from the Diet. The outgoing Government represented a coalition of Socialists, Democrats, and the Centre; the complexion of the new Ministry will depend on party bargaining. It is at least possible that we shall see a Conservative coalition, with a strong Nationalist element, in power in the Diet, as in the Reichstag. The

prospect is not encouraging, for the avowed aim of the Nationalists is to secure control of the Government patronage and eject the many Socialists holding posts in the Prussian administration. The danger lies, of course, in the possibility that the replacement of these officials by Nationalist nominees may impede the administrative working of the Dawes scheme.

Further significance is given to recent events in the Reichstag and the Diet by the existence of a monarchist majority in Bavaria. Bavarian affairs have, indeed, come to the front within the last few days. It appears that the Bavarian Government have sent in to the Government of the Reich a memorandum claiming that the existing constitution deprives Bavaria, in its practical working, of some of the liberties secured to her by the constitution of 1870. Dr. Leicht, an ecclesiastic of the Bavarian People's Party, who presented the case to the Reichstag, supported it by a significant reminder that Bavaria, Saxony, and Württemberg were States and not Provinces. There is here the makings of an acute and dangerous quarrel, for the Bavarian claims have a strong monarchical colouring, and there is no doubt that they would be supported by the Nationalists in the Reichstag if they were more inspired by sympathy for the Hohenzollerns and less by enthusiasm for the Wittelsbachs. It remains to be seen what attitude Herr Luther's Government, with its strong Nationalist backing, will adopt towards the Bavarian claims. Meanwhile, the rising tide of monarchist propaganda has led to strong counter-demonstrations by the German Socialists. At such a juncture it behoves the Allied Governments to exercise the most scrupulous care to do nothing that may afford a rallying cry for the extremists of the Right.

Letters addressed to the "Times" by Lord Selborne, Lord Lansdowne, and other leading Conservatives, indicate that a vigorous effort will be made to strengthen the House of Lords during the lifetime of this Parliament. Professor Oman, indeed, on the ground that the Government has "a mandate from the nation to secure peace and stability for the future," tries to argue that it has a mandate to increase the power of the Upper House. No one who remembers the Prime Minister's one pronouncement on the subject during the election (which was not reported by the London Press), with its vague reference to the desirability of making some alteration "within the framework of the Parliament Act," can seriously claim that he has any authority to make any essential change in the present position. Lord Lansdowne's letter was a pleasing manifestation of the Tory conception of the proper functions of a second chamber. Such an assembly should, in his opinion, be "representative of moderate and well-informed opinion in the country," and should have real powers of revision and of appealing, where necessary, against the caprice of the country to its sober and deliberate judgment." In order to leave no doubt in our minds as to what he means by this, he remarks that "recent events have shown us how narrow is our margin of safety." Even if we granted the soundness of Lord Lansdowne's premisses we should have thought that "recent events" had proved how enormous is our margin of what he regards as "safety."

The declaration by the Governor-General of the Sudan as to the status of the new Sudan Defence Force has led to a strong protest by the Egyptian Government, on the ground that it is inconsistent with Mr. Austen Chamberlain's expressed desire to maintain the

working of the Condominium, and that the whole question of the future position in the Sudan remains the subject of negotiation. It is evident that, whichever way the Egyptian elections may go, the last has not been heard of this matter. Meanwhile, we are glad to see that the British Government has receded from the most unjustifiable clause in the ultimatum, by agreeing to revoke the instructions with regard to the Gezira irrigation, pending the examination of the whole question of the Nile water supply by a mixed expert committee. The British delegate on this committee is Mr. R. M. McGregor, superintending engineer of the Punjab, at present seconded for service in the Sudan. The Egyptian delegate is Abdel Hamid Pasha Suleiman, General Manager of the Egyptian State Railways, who has spent the greater part of his career in the irrigation service. The chairman, Mr. J. J. Canter Cremers, chosen by agreement between the two Governments, is consulting engineer to the Dutch Ministry of Waterways.

* * *

The cult of the jumping cat is not often so plainly preached as it was in the Home Secretary's reply to the Deputation on Night Clubs. Sir W. Joynson-Hicks told the Bishop of London and his friends that they were asking him to interfere with "11,000 clubs, mostly working men's clubs, with an average membership of 100, which meant 1,100,000 voters in the country, with whom they had to deal. The deputation were asking him to reimpose restrictions that existed up to 1920, but they must show him first that he was not going to have trouble with 1,100,000 voters who probably, with their families, would influence double that number of voters." He then went on to say that the Government could "lead in the right direction," but if you can only lead when you are sure you will not "have trouble," your leadership will not amount to much. Gladstone's most fruitful Ministry, that of 1868, was described by Disraeli as having "harassed every trade, worried every profession, and assailed or menaced every class, institution, and species of property in the country." That was the Disraelian description of fearless and beneficent reform by a Government which had not its eye constantly on the ballot-box. We are now going back to the principles of Disraeli.

* * *

As we go to press a meeting between the Mining Association and the Miners' Federation is beginning. This meeting is not concerned with the existing wage agreement, but is the sequel to a suggestion by the employers that a special joint committee should be appointed to examine the present depressed condition of the industry, its causes and possible remedies. This the miners refused, but at length agreed to "hear what the owners had to say." The impression seems to have got abroad that the proposed committee was simply a dodge whereby the miners would find themselves committed to a very definite discussion of an increase in hours, as a remedy for present conditions. Whatever the Mining Association may desire, it is hardly likely that they would hope to carry such a measure by backstairs methods. The immediate cause of the present depression seems fairly obvious: the export trade has shrunk almost *pari passu* with the increased production of coal in France and in Germany. The occupation of the Ruhr caused the improvement in 1923, and now we have returned to conditions little better than those of 1922. It may well be that in view of world conditions, and also the increasing use of oil and electricity, the British coal industry has got to adjust itself to a new price ratio.

Mr. McKenna's address to the shareholders of the Midland Bank last Tuesday was characterized by the lucidity and candour which we have learned to expect from him. He explained the meaning of a managed currency and the method of maintaining its value by regulating the quantity of money through the control of credit, and he showed that during the last three years a managed currency, in this country, has been kept more stable than one based on gold, in America. He claimed the further merit for a managed currency, that considerable economy is effected by its use, as there is no need to incur the cost involved in buying and holding gold as a reserve. On the other hand, the gold standard established, he said, an international measure of value, common to the whole world and universally accepted. This was automatic in its operation and relieved the central banks of a responsibility which might not always be wisely discharged. Moreover, "a nation will think better of itself, will almost regard itself as more honest, if its currency is convertible into gold." The fear of being forced off the gold standard acts as a salutary check on the extravagance of Governments. In short, "so long as nine people out of ten in every country think the gold standard the best, it is the best." This is a pessimistic conclusion, but we cannot greatly blame Mr. McKenna, who has done much to educate public opinion on the subject, for succumbing to it. He has decided, apparently, that people are at present too stupid and ignorant to adopt a rational monetary system. This may be true, but it ill becomes those who have shared or fostered that ignorance to applaud this conclusion. We shall return to the subject at an early date.

* * *

General Primo de Rivera's latest declarations suggest that the Directory are making little headway with their proposed constitutional reforms. Their greatest difficulty lies, undoubtedly, in the apathy with which the great mass of Spaniards regard political questions. They are keenly interested in the preservation of order and in the reduction of the Moroccan drain, but they will give the Director little assistance in his most formidable task—that of providing for his eventual supersession. Meanwhile, his imitators in Chile have already come to grief. The naval and military officers who carried out a peaceful *coup d'état* in September last issued proclamations closely modelled on those of General de Rivera; but they lacked his force of character, and a violent quarrel broke out between the naval and military sections of the new Cabinet. A fresh rising took place at Santiago, and peace was only restored by the mediation of Señor Agustin Edwards, an ex-Foreign Minister. Under his guidance a Constituent Assembly has been convoked, and the President, Señor Alessandri, who left the country at the time of the original *coup d'état*, has been invited to return, which he has agreed to do on condition of the return of the military to their duties, and the restoration of constitutional government. It is evident that the capacity of the naval and military reformers has fallen considerably short of their good intentions, as expressed in their programme.

* * *

The "Times," and also the public, are to be congratulated on the splendid response to the appeal for funds to save St. Paul's Cathedral. We are glad, moreover, to see that a very strong committee has been appointed to consider the state of the Cathedral and the steps that are to be taken to safeguard it. Now that the money has been obtained it is most desirable that the best expert opinion available should be canvassed and that the work of reconstruction should be done with the maximum of thoroughness.

THE LIBERAL REVIVAL.

MR. ASQUITH'S decision to accept an Earldom cannot be joyfully received by Liberals, but they are bound to recognize its wisdom. It is a melancholy thought that the House of Commons will never hear again his measured and cogent eloquence, or feel the influence of his great personality and intellectual force. One cannot escape from a sense of national loss in the final renunciation by this dominant figure of the arena in which he has played so distinguished a part for so many years. But Mr. Asquith retains his capacity for facing facts as they are and choosing the lesser of two evils, and it would be foolish to deny that he has made the sensible choice on this occasion. No Liberal would really like to see him challenging again the hazards of a contested election in order to lead a remnant of his party in the House of Commons. Still less is it desirable that he should remain permanently outside Parliament, where his influence could only be maintained by the exhausting process of ceaseless platform oratory. It is one of the few really useful purposes of a Second Chamber that it provides a convenient forum from which elder statesmen can instruct public opinion and assist in the direction of national policy. We are glad that Mr. Asquith is to avail himself of its facilities. He will thus be enabled to give an invaluable lead to a revitalized Liberal Party in the application of Liberal principles to the issues, new and old, which are brought before Parliament.

There are abundant signs this week of the vitality of the Liberal Party. On Thursday and Friday a Liberal Convention is meeting to consider questions of organization, finance, and general policy, in the light of an interim report issued on Tuesday by the Committee which Mr. Asquith appointed immediately after the General Election. On Thursday evening Mr. Asquith is holding a reception at the National Liberal Club, and on Friday evening he, together with Mr. Lloyd George and Lord Grey, will address a demonstration at the Albert Hall. These signs of exuberant life, which reflect a great spontaneous recrudescence of Liberal activity in many parts of the country, must be disconcerting to those political pundits who hastened to announce the death of Liberalism three months ago.

Liberalism is indestructible. It is, in essence, as Professor Gilbert Murray wrote in these columns last November, the appeal to reason and reflection as against primary desires and prejudices.

"It is wanted more than ever because great questions are beginning now to rise which can never be solved by Conservative obedience to Power and Custom, or by Labour insistence on the desires of the poor as against the rich. . . . They can only be solved by a party which believes in reason and free inquiry and the ultimate duty of man to serve mankind, and which is prepared, disregarding all prejudices and class interests, to the best of its power in each instance, to seek out what is true and then to do what is best. Those who do that will be the Liberal Party of the future."

There can be no doubt of the need for a Liberal Party thus defined or of the appeal which it would make to the best elements in the community. The difficulty lies first in reconstructing the party so that it can bring its point of view prominently and continuously before the country, and, secondly, in keeping that standpoint on the high level of true Liberalism. To the first task improved organization and finance are, of course, essential, and the Report of Sir Donald Maclean's Committee, subject to any amendments which may be suggested by the Liberal Convention, should form a useful working basis in these fields. The root of the matter lies, however, in the evolution of Liberal

Policy. "It is as hard to be Liberal as it is to be Christian," wrote Professor Murray in the article from which we have already quoted, and yet it is only by being consistently and distinctively Liberal in its attitude towards all public questions that the party will deserve to secure the confidence of the country. Cut-and-dried programmes will not help us to attain this end. The initiative in national policy inevitably and properly rests with the Government of the day. The business of Opposition parties is to provide informed and constructive criticism of the Government's legislative and administrative programme. And there is no cause for eager Liberals to fear that the activities of even a Conservative Government will give them too little material with which to build up their own alternative policy. Only three months, including Christmas, when even politicians relax for a time, have elapsed since Mr. Baldwin took office, yet he and his colleagues have already given us many examples of the way in which Liberals would not conduct the nation's affairs. There has been the ultimatum to Egypt, rendered somewhat less menacing by Mr. Chamberlain's subsequent withdrawal of its implied threat to the Egyptian water-supply and the agreement which has now been reached on that subject, but only too likely to react injuriously upon British interests in Egypt and British influence elsewhere in the coming months. There is the deplorable decision to proceed with the development of a base for capital ships at Singapore. There is the ill-conceived project of subsidizing Dominion products, in competition, presumably, with those of our own country-folk. There is the totally unnecessary proposal to safeguard British industries against "unprecedented" competition from foreign countries, by which a section of the Cabinet seeks to introduce Protection by instalments, while another section apparently hopes to maintain Free Trade. There is, above all, the decision to retain, for a time at least, the occupation of Cologne by British troops and the manner in which that decision has been conveyed to Germany, which threatens to destroy all that has been achieved during the past year in the direction of better relations in Europe. Finally there is the sudden stiffening of our attitude on inter-Allied debts, which contrasts so strangely with our apparent subservience to French policy in relation to Germany.

Clearly the record of the new Government provides ample scope for Liberal criticism and for the development of a constructive alternative policy; and there is only too much reason to fear that the field will be greatly extended both in international and domestic affairs during the life of this Parliament. It may be objected that the topics mentioned are not ones upon which Liberals are likely to take a very different view from that of the Labour Party. That, however, is not necessarily inconvenient. For, while there can be no formal alliance between the two parties in the near future, it is eminently desirable that they should work together, as cordially as may be, in opposition to such of the Government's acts and proposals as they both consider injurious. It is highly probable that the present Administration will remain in power for some years, and we need not fear, therefore, that such friendly intercourse as may take place between Liberal and Labour members in the work of criticizing its policy will prove embarrassing in the constituencies. For the present both Opposition parties will be well advised to concentrate upon the task of keeping a vigilant watch upon the Government's policy, doing what they may by words in season to guide it into fruitful channels, and subjecting it to effective criticism when they see it going astray. For this purpose something like a *Left bloc* in Parliament may well prove indispensable.

NAVAL LIMITATION AND THE FRENCH PROGRAMME.

THE possibility of a call from the United States to a further conference for the limitation of naval armaments is now an issue of practical politics. President Coolidge unquestionably desires such a conference; Senator Borah, Chairman of the Senate Foreign Relations Committee, has emphatically proclaimed its urgency, and to judge by Mr. Vinson's recent remarks in the Naval Committee of the House of Representatives, Congress is sympathetic to the project. It is of real importance, therefore, to consider the probable attitude of the European Powers, and the most cursory examination will show that the French naval programme is a fundamental factor in the problem.

The French naval estimates have recently been before the Chamber; but it is essential to remember that the French naval programme, unlike our own, is fixed by a *statut naval* for a long period of years. Appropriations must be voted annually; but the programme itself can only be changed by an amending statute. In fact, M. Delcassé once defined a French naval law as a measure intended to place the maritime defence of France on a constitutional basis, independent of Governmental changes and Cabinet crises. French naval construction to-day is regulated by a statute of 1922, which authorized a twenty-years' programme. That measure was almost unanimously approved as a minimum programme. It may be supplemented in course of time; it is exceedingly unlikely to be cut down. In order to appreciate its bearing on the problem of limitation, it is necessary to examine its origin and provisions.

The great lesson of the war, the vital importance of imported foodstuffs and war materials, was not lost on the French naval staff, and as French major strategy always starts from the assumption of continued Franco-German hostility, it was necessary to rule out Central Europe as a source of supply, and consider the problem of protecting supplies of food, oil, and munitions from overseas. The French fleet was admittedly in no condition to contest the mastery of the seas; on what lines was it to be reconstituted? At that time (1919-21), French naval opinion was deeply agitated by the capital-ship controversy. Could submarines and minor types, if properly employed, free the coasts from raids and invasions, and keep the trade routes open? The existence of this controversy, the financial situation, and, ultimately, the impending Washington Conference, all combined to suggest a waiting policy with regard to capital ships.

At Washington, the French delegates agreed to limit the battleship strength of their country to 175,000 tons, as compared with 525,000 tons for Britain and America, and 315,000 tons for Japan; but they refused, absolutely, to agree to any limitation of the minor types. The significance of this refusal lies in the fact that it is mainly for the purpose of supplementing the work of Washington, by limiting the minor types, that a new conference is now proposed.

It is important to bear in mind that the limitation placed on the French battle-fleet was very severely criticized in France. It was urged that, while it might be necessary for French diplomacy to adjust itself to the position created by insufficiency of funds to rebuild the battle-fleet on an adequate basis, it was nevertheless unjust that a degree of inferiority arising from this cause should be stereotyped by treaty. Feeling ran so high that, had it been possible, at the moment, to embark on a programme of battleship construction, the Treaty would certainly not have been ratified. As it

was, MM. Raiberti and Poincaré succeeded in obtaining a majority for ratification only by showing that it was impossible, for the time being, to build first-class ships; that the question could be raised again in 1934, when the Treaty expired; and that France was left with an absolutely free hand as regards light cruisers, destroyers, and submarines, the types on which work must be concentrated for many years to come.

In the interval, expert discussion had moved on; the question of overseas supplies was temporarily dropped, and the requirements of naval defence were considered in the light of two concrete problems: (i.) the defence of the coasts against invasion, raids, and bombardments; (ii.) the transport of the Algerian and Moroccan armies, with their drafts and stores.

Public opinion in France has always been extremely sensitive to a threat of invasion, and the first question was exhaustively examined by a Parliamentary Committee, presided over by M. Georges Boussenoit. This Committee reported that invasion from the sea, in the modern sense of the word, was impossible, and that immunity from raids might be secured by a reorganization of the coastal defences and a strong force of submarines. The second question has never been examined by the Chamber; but French expert opinion has clearly expressed its confidence in the ability of a strong force of submarines and torpedo planes, backed by destroyers and light cruisers, to keep open the communications with Algeria.

It is unnecessary to discuss the technical soundness of these conclusions. The point is that the French naval programme is closely adjusted to what are assumed to be the country's most vital requirements at sea. The effect of the law of 1922 will be to give France, by 1942, 200,000 tons of light cruisers (20 vessels); 160,000 tons of destroyers (about 150 vessels); 90,000 tons of submarines, and 60,000 tons of airplane carriers. On the assumption that the British Admiralty persist in their apparent policy of maintaining the lighter types at their present numerical strength, this would leave Great Britain with a considerable preponderance in cruisers and a distinct, though smaller, preponderance in destroyers; but would give France a superiority in submarine tonnage of about 50 per cent. This, however, is no great matter; naval strength must be compared as a whole, not item by item. The real significance of the French programme lies in its relation to the prospects of a further conference to complete the work of Washington.

The main purpose of such a conference would be to check the tendency for naval competition to be transferred from the building of capital ships—definitely limited by the Treaty—to the construction of those minor types which the Treaty left unaffected. Can it be expected that France will submit to any restriction of the programme, embracing those very types, to which the French Government has committed itself, with the whole nation behind it? It must be remembered that this programme itself provides for only two of the three main requirements of French naval security, and that the reporters of the Naval Committee, MM. Denise and de Chappedelaine, have repeatedly stated that the programme represents only what the country can afford, not what it requires.

On the other hand, the British Admiralty will, as certainly, oppose any approach to a one-Power standard in Europe, however slow, and however indirect; the more so in view of the division of naval force contemplated by the Singapore scheme. They will also maintain, rightly, that the needs of Great Britain as regards the auxiliary types must be considered with reference to

her peculiar dependence on imports from distant sources, and the length of Imperial communications.

Is the Conference, then, foredoomed to failure? It would probably be so if the whole mass of accumulated difficulties were flung at it in the rough. The way can be largely cleared, however, by careful preliminary work. During 1924 a conference of the minor naval Powers met in Rome, under the auspices of the League, to discuss their programmes. That conference has been freely written down as a failure, because no agreement for limitation was reached. It accomplished, nevertheless, most valuable work; for it procured from those Powers a definite, concrete statement of their naval ambitions and requirements, capable of clear tabulation, comparison, and discussion. Why should not naval experts from Great Britain, France, and Italy, meet, as a preliminary to a further general conference, for the purpose of removing the uncertainty that now surrounds the whole question of programmes for the construction of auxiliary types? If Great Britain's needs are commensurate with the length of Imperial communications; if the needs of France and Italy are commensurate with the length of their coast lines, then, surely, each country's requirements are calculable, and capable of being stated. The difficulty of limitation is admittedly greater as regards the minor types than as regards capital ships; but it would increase a hundredfold the prospects of success if the European Powers went into the Conference with a clear understanding of each other's aims and requirements. It is the competitive element in naval construction which forms its chief danger, and competition is always stimulated by uncertainty. To obtain from each country a clear statement of the standard it considers necessary for its safety is the first step to arriving at an agreed ratio.

THE WEIR HOUSE.

ALL who realize the magnitude of the present housing shortage must wish Lord Weir success in his efforts to manufacture by emergency methods the so-called "steel" house. But the nation must not expect a building, avowedly designed to meet the present crisis, to satisfy all requirements, constructional, economic, and aesthetic. Lord Weir has been somewhat unfortunate in his friends, for anticipations have been raised too high owing to statements made on the platform and in the daily Press suggesting that his scheme will revolutionize the building industry.

Lord Weir himself from the first, both in his private letters and his public utterances, has made it clear that it "is specially designed to be supplementary and auxiliary"; that "the labour will be drawn entirely from the unemployed"; and that "there is no menace to the building trade or to the operatives." Granted those conditions, his plan deserves national support as a temporary device to provide accommodation for the present generation.

The house more resembles one of the temporary mission halls or "tin tabernacles" that may be seen in country districts than any other form of building. The framework is of timber, and only the outside is covered with heavy steel plates. There is a double cellular air space, and an inner composition lining, with three-ply wooden panelling in the living-room. The outside is covered by a new kind of paint which, it is claimed, will keep out the rust. The Eastwood type containing a living-room 15 ft. by 13 ft., two bedrooms 12 ft. 4 in. by 10 ft. 6 in., a kitchenette, bathroom, and larder, is being sold at £375. But drains, roads, and sewers in

the case of those provided for Lanarkshire add another £87. This total of £462 is not cheap for a bungalow.

There are other types, bungalows, two-storey houses, and flats. Of the first series of bungalows to be manufactured at a factory at Cardonald, Glasgow, nearly three hundred have already been sold to local authorities for experimental and demonstration purposes. Lord Weir expects that the majority of these houses will be built and occupied before the end of the summer, but shrewdly recognizes that, if the working men's wives who have to live in these houses do not like them, then his scheme will be a failure.

Mr. Bonar Law was the first to favour as a serious proposition the idea of building this type of house by standardized methods. Mr. Baldwin has given his blessing to Lord Weir's scheme, and also practical assistance in the shape of a substantial contribution from public funds towards publicity.

If these houses are accepted by local authorities, a struggle with the building unions is probable, although public opinion will certainly be hostile to any attempt by organized labour that may impede any path of possible housing progress. For the engineering and shipbuilding trades, whose unemployed are to be used on the house in accordance with trade union conditions, have everything to gain by this method proving a success. Further, from the national point of view, it is estimated that the provision of work for those craftsmen at present unemployed, will mean for every house built a saving of £75 in unemployment benefit. Accordingly, the leaders of the building trade operatives, however great the temptation may be, will be wise if they withdraw their threat of obstruction.

If the Weir house is not to succeed as an emergency means of providing working-class houses, let the failure be due, not to selfish opposition from organized labour, but because of the inherent defects of the system. It must be confessed that expert opinion up to the present has been extremely cautious in giving any favourable opinion. The interim report of Sir Ernest Moir's Committee has compromise written all over it, and is a most half-hearted and ineffectual document. Many difficulties are hinted at, notably price, and Lord Weir would be the first to confess that, if his house is likely to have a shorter life than the average brick house, it must therefore cost less. But he prophesies that if his present plans for the standardization of all the parts, and the application of sub-division of employment and simplification of the processes, are carried out, then the cost will be substantially less.

But those who occupied steel huts during the War will ask for more evidence than is at present provided with regard to the comfort of the house. Fuel had to be burnt lavishly in various types of steel huts in Flanders if the occupants were to keep warm. Lord Weir asserts that the actual rate of heat transmission through his wall is practically the same as that of a double brick wall roughcast and plastered. Nevertheless, it would be more satisfactory if the official evidence of the Building Research Board on this aspect of the question could be made available before public funds are expended on subsidizing these houses.

Then, too, those who occupied steel huts in France remember vividly how vermin quickly found a home and could not be exterminated. The air space and inner lining provided in the Weir house may easily provide a most attractive abode for creatures that cannot be driven out. On this point too it is claimed that modern chemical science has provided a remedy. If this is not forthcoming, and "steel" houses are widely erected, Mr. Chamberlain will be sorry that he ever recom-

mended local authorities to adopt such a house. For Housing Committees are painfully aware of the many complaints that are arising at the present time over the Addison houses, and unless the Weir house is as vermin-proof, and as warm in winter and as cool in summer, as the average brick house, the dissatisfaction of tenants will be even greater, and the political reaction the more intense.

An objection has been raised by various architects that the Weir house is ugly and monotonous. This view can be exaggerated, for even the types already developed, although plain and simple, are well proportioned, and if the scheme proves an economic success, there should be ample opportunity for architectural ingenuity to plan more pleasing structures.

An argument, too, is being freely used in certain political quarters that the Weir house is simply a subtle trick to introduce "sweated" labour. This is surely shortsighted. Should the Weir house prove to be such a success as Mr. Chamberlain anticipates, then those comparatively unskilled men and women engaged in the Scottish factory and in the four factories that will probably be started this spring in England, will quickly form their own labour organizations, and will demand the conditions appropriate to skilled crafts.

The primary test of the Weir house this summer will be at Wembley and in twenty-five centres where demonstration dwellings are to be erected with the stimulus of a grant of £200 each from the taxpayer. If the public are attracted,—and housewives especially will appreciate the admirable internal fittings, the many cupboards and other labour-saving devices,—then those local authorities who at present suspect a method that has been almost too blatantly advertised will, no doubt, decide to place tenders, always provided the cost is appreciably lower than that of the brick house.

But the test of public opinion this year is not final. Will these houses last 20 years, or at least the 40 years suggested by the Moir Committee? Will the cost of maintenance and repainting be excessive? Will the temperature within be equable? These are questions that can be answered by scientists, and it is unfortunate that up to the present no definite scientific evidence has been made available. Has the Building Research Board yet been asked to make a report? The milk-and-water document of the Moir Committee in the opinion of experts is practically valueless, and the claims made by those commercially or politically interested are apt to be discounted by the man in the street. With all the goodwill in the world, therefore, towards this attempt made by Lord Weir, who is exceptionally equipped to deal with the problem, it is surely not ungenerous to ask that the nation should be given more reliable information, when Parliament meets next month, on the three main points—expectation of life, transmission of heat and cold, and cost of the steel-and-timber bungalow.

B. S. TOWNROE.

LIFE AND POLITICS

MR. ASQUITH is not a vain man. If he were he would be in danger of becoming a little giddy under the chorus of praise which has proceeded from the Press of all parties in regard to his elevation to the peerage. Fortunately for him, he has no vanity and is singularly indifferent to Press opinion, whether flattering or hostile. But to his friends and followers it is pleasant to see the esteem in which he is held expressed with so much warmth and unanimity.

The occasion of the tribute is not without its regrettable aspect. Everyone who cherishes the great traditions of the House of Commons will deplore the fact that its most illustrious living ornament has closed his account with it. Mr. Asquith is a House of Commons man in the grand sense. He has that passion for the representative principle and the dignity of Parliament which gives him a place among the Gladstones and Burkes of the past. That he hoped to end his days in the Chamber he has so long adorned is well known, but the circumstances of politics made that hope no longer tenable, and he has consulted the public interest as much as his own feeling in the matter in accepting an honour which will still give the country the benefit of his wisdom and his party the continued advantage of his leadership.

* * *

The remarks I made last week as to the chief problem that confronts Mr. Churchill have received some point in the interval. A few days ago the "Daily Express" gave full details of the naval shipbuilding programme which has been submitted by the Admiralty to the Treasury for a preliminary discussion of the estimates for next year, and the "Observer" on Sunday followed with a defence of the proposed great increase in expenditure. The information for these articles must have been supplied, for these early schemes are always treated by the Treasury as confidential. The intention is clear. It is to force the hands of the Treasury and of the Government by creating a public atmosphere favourable to the demands of the Admiralty. The class of small cruisers of about 4,000 tons is to be replaced by cruisers of 10,000 tons, and this change involves an increase of four millions in the shipbuilding vote alone. But this is not all. The proposal will of course lead automatically to a corresponding increase in the cost of maintenance, repairs, &c. Will Mr. Churchill surrender to this indefensible raid on the public purse? Merely from the defensive point of view the need of the country is not more armaments, but more financial strength. There was never a time in living memory when the position of the Navy was so unchallenged. With the exception of France, there is no nation in Europe which need concern us for a moment. The navies of Germany, Russia, Austria, and Turkey, which controlled our naval policy before the war, have disappeared. The danger to Great Britain in the event of war is not the want of armaments but the want of money. A reduction of the Income Tax would strengthen our credit and increase our borrowing powers, and would *pro tanto* enhance our potential military power far more than an increased number of ships and guns.

* * *

I do not find in coal-mining circles that the Bolshevik programme of Mr. A. J. Cook, the secretary of the Miners' Federation, is viewed with serious alarm. In declaring himself "a disciple of Karl Marx and a humble follower of Lenin" he has indicated that his motive is purely political and that the strike to which he invites "the railwaymen, the dockers, and other trade unionists" is not to be primarily concerned with wages and conditions, but with effecting a revolution. I do not gather that that is the spirit of the men at the present time. The memories of the last strike are still fresh in their minds, and the union is still impoverished as the result of that most ill-advised adventure. Nor are the circumstances of the trade favourable to the repetition of the blunder. In the Yorkshire coal-field, where the men are sharing abundantly in the prosperity of that extremely prosperous industry, there is certainly no disposition to embark on a war for general revolutionary ideas, and it is not unlikely that when Mr.

Herbert Smith's voice is heard it will be tuned to a different key from that of Mr. Cook. Mr. Smith, who is the President of the Federation, is the most trusted leader the miners have had since Mr. Enoch Edwards. He is a practical statesman rather than "a humble follower of Lenin," and, though no one can put up a stouter fight when fighting is a necessary policy, he knows when fighting is idle bravado and when more can be won by negotiation than by force. If the "solidarity" which Mr. Cook is seeking is lacking among the miners themselves, it is still less likely to be found among the transport workers. Mr. Cook's idea of reconstituting the Triple Alliance may be sound, but it could hardly have been put forward with a more unpromising prospectus than that issued by the humble follower of Lenin. Mr. J. H. Thomas's comments on the prospectus will be awaited with interest.

* * *

The housing experts do not seem to regard the Weir steel-frame house as a serious solution of the housing problem. They not only doubt its suitability for our climate, but they question its economy. The latter point depends largely on the unsettled issue that has arisen on the trade union question. The Weir calculation is based on the fact that the steel plates for the houses are produced by labour in the steel-yards which, in Scotland, is vastly cheaper than that current in the building trade in Scotland. But the building trades are claiming that labour engaged in producing material for house construction is labour which must be remunerated on the building trades scale. If this point were conceded (and it is not likely to be resisted without a struggle), much of the case for the steel house on financial grounds would disappear. I don't think it has been regarded anywhere as more than a weapon against the restrictions of output in the orthodox building trade. If it served that purpose it would have done a good thing. The ingenuity of man has not found, and is not likely to find, a substitute that is an improvement on brick, and if the restrictions on output which are so largely responsible for the present shortage were discountenanced, little would be heard six months hence of steel houses or wooden houses or any other substitute for honest brick.

* * *

The storm that has descended on Lord Hawke apropos of his appeal to the Almighty that he may not live to see a professional cricketer captain an English team must have astonished that amiable peer. There are some conventions that do not bear discussion. So long as they are only assumed and nothing is said about them they are unchallenged, but when they are defended the bubble is pricked. That is the case with the class conventions of the cricket field. Lord Hawke innocently confounded a good point with a bad one. His desire to see the amateur element maintained in first-class cricket is one which every lover of the game shares. But he unfortunately confused that healthy wish with the maintenance of class distinctions on the cricket field itself, which no one can openly advocate, though in practice the discrimination between the amateur and the professional may have certain advantages. It is to be hoped that as one of the results of the explosion the gulf that, in the Press, separates "Mr. J. W. H. T. Douglas" from "Woolley (F.)" will be narrowed and that the title of the most interesting match of the year will be changed to something like "Amateurs and Players." The old name is hallowed by associations, but I can imagine that the professional gets a little tired of being reminded that he cannot be a "gentleman." He knows that he can, and that many of his order have been.

I understand that one result of the cross-word frenzy that has swept the country is that there has been a serious slump in the book trade, especially the cheap fiction which in normal times serves to alleviate the tedium of railway travelling. On the other hand, the dictionary-sellers have had an astonishing harvest. There has never been such feverish interest in words since the world began, and it is difficult to deny that from this point of view the craze has more claim to respect than such popular seizures usually have. Nor have its fascinations left the "classes" world untouched. I hear that the epidemic is rampant at Oxford, and in a first-class compartment on the Southern Railway the other day of nine travellers—three standing—all except one were engaged in the solution of cross-word puzzles. No wonder the cheap fiction market is depressed.

A. G. G.

LETTERS TO THE EDITOR

"A POLICY ON THE PROTOCOL"

SIR,—There is much in your valuable leader last week with which every supporter of the Protocol agrees. Your main argument is unanswerable. It would be disastrous to accept the Protocol if the British people were unaware of the obligations it involved; it would be no less disastrous simply to reject it. Amendments may, therefore, be required.

The fundamental facts to-day are these. First, there is, apart from the British Empire, a quite amazing unanimity of opinion—both Governmental and popular—in support of the Protocol among all the Members of the League. Moreover, German opinion—making due allowance for the present situation—appears to be decisively in its favour. Second, as a result of this unanimity of opinion, there is an opportunity of securing now a practical measure of disarmament, covering aircraft and submarines, which, apart from its political and economic results, might be a great military and naval protection to the British Empire.

If, in fact, the choice before us were simply that of acceptance or rejection, your own argument would surely compel acceptance. If "it is idle to suppose that we can keep out of the next European war," and especially if there is danger of "a serious war within the next decade," is it not worth almost any risk to ensure that we shall not be on the side of the State that is guilty of the crime of starting that war, and also to ensure that, in whatever military action we may take, we shall be co-operating with the greater part of the civilized world?

But that is not the choice. Amendments can, no doubt, be made. But *what* amendments can be made it is at this stage very difficult to say. Your proposal for the greater use of the Assembly in disputes would almost certainly be accepted. A time limit would be more difficult, but it would be worth exploring. The one thing that is certain about amendments is that they must not compromise the main principles on which the Protocol is built, and on which, after so many fruitless efforts, the Members of the League have at last agreed. If they do, they may destroy the whole great enterprise. For they will break up the unanimity that now exists, and dissipate, perhaps for ever, the vast movement for disarmament which the Protocol has called forth.—Yours, &c.,

P. J. BAKER.

ESTHONIA.

SIR,—I admit I was much cheered and comforted by Mr. Brayley Hodgetts' letter, for in the mouth of so passionate a defender of the Esthonian Government, his statements amount to an admission of my case. I said two things: first, that political prisoners have not a fair opportunity of defending themselves; secondly, that the state of the prisons is deplorable. He replies that Esthonia is a Republic, that there is no aristocracy, that the peasants are sturdy, and that the Putsch was insane and abortive. These statements have the merit of being true—but they have the defect of being irrelevant. Those who have been so far executed for conspiracy were tried in secret; they had no right to choose their own defender; they had no opportunity of producing their witnesses; and it is but

poor comfort to an innocent man unjustly condemned that he should have been accused of a particularly wicked crime.

Those who are in prison have been arrested in some cases as far back as September, and I should add that some of those suspects are young girls of sixteen or seventeen. It is not denied that the prisons are congested and very unhealthy; and I say again that it is the obvious duty of every civilized State not to inflict unnecessary suffering on those who may very well be innocent.

And—on the political side—I am quite sure that such unnecessary severities tend to defeat their own object, and to sow the seeds of future unrest; and that those who wish for the prosperity of the Estonian Government can do it no better service than to press for the restoration of normal conditions.—Yours, &c.,

A. SUSAN LAWRENCE.

41, Grosvenor Road,
Westminster Embankment.

SIR,—Might I comment on the appeal that Miss Susan Lawrence makes in your issue of the 17th inst. on behalf of the unsuccessful revolutionaries whom the Government of Esthonia has arrested and imprisoned?

Although I have not visited Esthonia for some months, I am in regular communication with that country, and I find that either my impressions and conversations while visiting there and my present information are false, or Miss Susan Lawrence presents a distorted picture of the position. To identify the people of Esthonia, as she appears to do, with those individuals, amounting to perhaps hundreds, who recently attempted to overthrow the Government by revolutionary violence, in which many good Esthonian citizens (including a Minister) lost their lives, has not a semblance of reality. Is it not well known that at the time Red military and naval forces were on the frontiers awaiting the chance of a successful coup in order that they might produce in Esthonia a second Georgia, including the massacre of Esthonian citizens on proscribed lists for the crime of publicly disagreeing with Bolshevism or for merely belonging to the middle classes? In one small place which I know on the Gulf of Pernau, with a population of about 18,000, the captured list contained the names of one thousand eight hundred individuals belonging to that town. We must remember that the Baltic States have not so very long ago tasted the terror of Bolshevik domination, and, naturally, the people of those countries have few illusions left concerning Bolshevism. There is probably no better-informed public opinion on this matter in any country of the world. If any of your readers happen to find themselves at Riga they should visit there the War Museum, where they will be shown photographs and other evidence of the hideous atrocities committed during the period before the Bolsheviks were driven from the country.

Communist propaganda and intrigue is in those countries no remote or academic question. I have information obtained from authoritative British sources on the spot that a continual stream of communist propaganda, dictated and financed by Moscow, is ever working for the disintegration of the national and social life of those countries, especially after the check administered to Bolshevism in the last elections by the British people, and that the recent rising in Esthonia is but an instance of the disturbance of the peace of those countries for which the present Bolshevik oligarchy is responsible.

There is probably a good deal to be said for Miss Lawrence's contention that the prisons are at present overcrowded, and that harsh and rough-and-ready measures are being taken to combat communism. The conditions, however, demand a grappling with the Red menace in no uncertain way, and unfortunately hardship is bound to occur and is an integral part of the situation. For that, I contend, neither the Government nor the people of Esthonia are responsible. We should indeed recognize the service which, practically unaided, they are rendering to the world by unhesitatingly grappling with and combatting the danger. Less strenuous treatment would be ineffectual treatment, and ineffectual treatment means bloodshed, destruction, and terror on the well-defined Bolshevik model. That would involve incomparably more suffering and innocent victims than the present temporary conditions can produce at their worst, even assuming that all Miss Lawrence states is correct.

Are we, at ease in England, who are appealed to, so sure that these measures would not in similar circumstances have to be resorted to by ourselves or by any people of spirit who cherish the freedom of their country and their social system? That large-scale prison provision sufficient to meet the present situation is lacking, and that conditions, including methods of bribery and intimidation indulged in by their Soviet neighbours, necessitate more drastic methods than that of trial by jury and the hearing of cases and witnesses in public, is to be expected. If the rising had been successful, thousands of Esthonian men and women might have been compelled to dig their own graves!

These questions, I submit, in any event concern the internal policy of Esthonia, so long as they do not disturb the peace of other countries, and it ill becomes Miss Lawrence and her friends, among whom, I understand, are included apologists of Bolshevik practices in Russia, to raise their voices to persuade the people of this country to attempt to interfere in the internal affairs of Esthonia, in order to protect the armed communist plotters against the freedom and security of the Esthonian Republic.

Miss Lawrence's presumption that she is entitled to speak on behalf of the people of Esthonia amounts, I suspect, to even less than her claim to speak on behalf of the people of this country. It is quite true that British public opinion has an important repercussion on public opinion in Esthonia, and it is therefore well that our views on such matters should not be misrepresented to Esthonia and the neighbouring Baltic States by any *ex parte* advocates. We should instead admire and by every proper method encourage the people of Esthonia and the Baltic States in their successful stand against Bolshevik influence, and for the way in which they are building up a prosperous social and economic system in contrast with the poverty and destruction to which the Bolshevik system has reduced the great country of Russia.—Yours, &c.,

ELDRÉD F. HITCHCOCK.

62, Cleveland Square, W.2.

January 21st, 1925.

THE BOXER INDEMNITY COMMITTEE.

SIR,—I have just been reading with great interest the paragraph set forth recently in your columns and commented upon unfavourably respecting the cancellation of invitations to Mr. Bertrand Russell and Mr. Lowes Dickinson by the Foreign Office Committee about to advise on the allocation of the Boxer Indemnity Fund. I desire publicly to express our opinion as being in absolute agreement with your own attitude towards the question. The uncomfortable feelings which thus naturally arise in the mind of many seem to me to be manifold. Personally I regard it, and undoubtedly all of our educationists would regard it, as the initiative and indicative of changing the proposal to devote the indemnity to real educational purposes beneficial to the mutual interests of the two countries, and thereby of lessening the original generous motive of the British nation in rendering a valuable service to the Chinese. I have just received a number of communications from Educational Associations in China, and think it useful to place them before your readers. Their advocacy of the use of the fund is already well known, but what I desire to emphasize is that with one accord they affirmed that for the promotion of friendly relations no other means could be better than through assisting the education of China, especially the National Education at this time, when the Chinese people were seeking regeneration of their ancient civilization. As the sum involved is not sufficient to produce any effect unless it is undivided, so our educationists cannot welcome any suggested plan as disguised under the name of railway building in the Yangtze region. At the same time I cannot, however, help feeling that our plea for a greater recognition of the views expressed in favour of education scarcely gains a sufficient importance in England, as shown in the debates in the last Parliament and in the Press—a recognition we all greatly desire. For this reason among others, it is most desirable that the prospective Committee should be so constituted as to command the confidence and the respect of the general public of the two peoples. Though it is urged that there should be represented on this Committee, in an advisory capacity, responsible and well-informed representatives of all such sections

of diplomats and traders as are likely to be suitable for a certain purpose, we yet think it more important that schemes for spending money should be drafted solely by a Joint Committee of British and Chinese educationists equally represented. Men like Mr. Russell and Mr. Dickinson would be especially welcomed on the Committee, and, as I remember, when the suggestion of inviting Mr. Russell and Mr. Dickinson to the prospective Committee by the late British Government reached China, there was an enthusiastic approval all over the country. Mr. Russell spent one year, in 1921, in China, mostly lecturing as a Professor in Peking University. He enjoyed a rare experience, and his addresses and lectures were astonishingly and highly appreciated. His publications and Mr. Dickinson's book on Eastern civilization are in China universally esteemed, and partly translated into the Chinese language. That Mr. Russell and Mr. Dickinson would be cordially welcomed by the Chinese people, especially in the capacity of advisers about their education, is obvious. And we should not like to hear that such prominent scholars and great friends of China as they are should be deprived of giving their services in an unquestionably good cause.—Yours, &c.,

Y. P. TSAI.

Chinese Legation, Brussels.

January 8th, 1925.

RELIGION AND SCIENCE.

SIR,—I am grateful to Mr. Lee; for the last paragraph of his letter in your issue of January 10th puts very clearly much of what I was striving to express. When I spoke of religion as a living function of the personality, I was trying to say something of this sort—that the human mind, or at least most human minds, have the possibility, as part of their innate potentialities, of experiencing what we call religious emotion—passionate aspiration, transcendence, awe, love and self-surrender, reverence and contemplation, and all these in a sense unified by being held in a single intellectual framework. For me, these activities of the spirit (with others), when brought into coherent relation with each other, constitute the essence of religion. Let me now deal with some of Mr. Lee's points, *seriatim*:—

(1) I should have thought it self-evident that "receptivity towards that which is without" was necessary for religion; why Mr. Lee accuses me of a lack of that receptivity I do not understand.

Since, however, all religion *will* have its intellectual side or theology, we must see to it that this theology is not demonstrably wrong. It is in this quarter that the present difficulties between science and religion chiefly lie. Many of the Churches have, of course, seen this, and have within the last few decades begun to yield to the *force majeure* of truth by dropping or allowing to fall into the background this, that, or the other "tenet of faith" which has turned out to be but a precocious rationalization. But the fact remains that a very large number of persons are kept out of the ranks of any organized religious body simply by the intellectual (theological) barriers which organized religions still keep standing.

(2) Is it, or was it, to be "calmly and proudly tolerant," or to "reaffirm our solidarity with our fellow-men" (and, I may add, with Nature), that the Fundamentalists expel Darwinian professors, that the vast mass of Anglicanism execrated Darwin himself, that the Roman Catholic Church keeps an *Index*, that on her most solemn occasions our National Church recites a creed pronouncing damnation upon all those who do not accept certain highly contestable assertions, &c.?

(3) I believe that we are "back again at the beginning," in the sense that we are to-day under the necessity of trying to comprehend the real nature of religion instead of overlooking this in favour of the semi-fossilized intellectualism of most theology or the unsatisfying utilitarianism of most morality.

However, my comfort is to find that even when opponents like Mr. Lee attack me, I find that they really are at one with me in my central ideas. One thing is certain—that if religion is a natural function of human personality, it will continue to flourish whatever creed embodies its intellectual side.—Yours, &c.,

JULIAN S. HUXLEY.

New College, Oxford.

January 20th, 1925.

THE FUTURE OF WOMAN.

SIR,—As in his review of my "Lysistrata, or Woman's Future and Future Woman," Mr. Leonard Woolf acknowledges that the book has exasperated him, it is perhaps only right to condone his gross misrepresentation of its general thesis and arguments, and not to assume that there was any spiteful intention behind it. Nevertheless, while it is possible to condone what has been done in a fit of exasperation, it is also permissible, I presume, to correct the impression that heated words may give. I am not alone in calling attention to the fact that the modern Englishman is degenerate. Official records, referred to by Mr. Lloyd George in his Manchester speech in 1918, in which he warned England against becoming a C.3 nation, can be consulted by all who, like Mr. Woolf, think that I have allowed my imagination to run wild. Basing his views on the same set of facts, Dean Inge has repeatedly spoken of modern men as "sub-human," and the existence of the Eugenic Society is a sufficient proof that a large body of quite reputable thinkers are becoming alarmed by what they see about them and what health statistics reveal. Now part of my argument in "Lysistrata" is that this degeneration of the body, which is due chiefly to neglect and to false values, has greatly affected the sex-relationship, and that Feminism is largely the outcome of the fact that the old ardour, zest, and beauty of physical passion have declined for millions of people to-day. I know nothing about recommending the kind of life which Mr. Woolf says is led by millions of people in Asia to-day. I was not aware of having done any such thing; nor do I argue that the physical deterioration of man can be cured by our ceasing to wear spectacles, or by putting woman back in "her place." It is simple gratuitously to ascribe nonsensical assertions to your opponent, in order to be able to lead those who do not know his case to suppose that it is a bad one—it is, in fact, a stratagem open to any reviewer when dealing with a writer who, like myself, is not read widely enough for the public at large to detect the ruse—and when one is struggling against the stream it is difficult to appeal to a very large body of readers. Allow me, therefore, to restate my principal claim; it is this: that since the present basis of social life is the bodily relation of the sexes, anything that tends to deteriorate the human body, or to upset that bodily relation, and all scientific technique and substitutes which tend to supersede it, must, if they are allowed to develop, lead to a dislocation so complete of the original scheme that there is no telling in what monstrous changes they may culminate. Now it cannot be denied that this bodily relation is at present disturbed, not only by impaired physical condition, but also by scientific interference, and by the influences inaugurated by Feminism; and it is this tendency which I maintain must be arrested at all costs. It is not possible in a small space to repeat all the facts and arguments with which I support my thesis, but to attempt to make havoc of it, by representing me as uttering the nonsense that fills three-quarters of Mr. Woolf's review, is hardly fair, although it may constitute good militant tactics.—Yours, &c.,

ANTHONY M. LUDOVICI.

[Mr. Ludovici says that it is a common ruse of reviewers deliberately to misrepresent authors with whom they disagree; it is much commoner for authors who do not make their meaning clear to try to put the blame upon the reviewer. I, of course, accept Mr. Ludovici's statement that he did not intend to say what in fact he appears to say; but I cannot be made responsible for the defects of books which I do not write, but review.—LEONARD WOOLF.]

"CANCER RESEARCH."

SIR,—On reading the article by Mr. Haldane on "Cancer Research" in *THE NATION* of the 17th inst., I was most distressed at the following sentence: "I should look askance at the indiscriminate use of such substances as vaseline, which may very well contain the cancer-producing body found in paraffin, and lubricating oil, which certainly contains it." As I have taken the medicinal paraffin for some time past on the advice of my surgeon, and as I have also seen it highly spoken of in the Press by eminent medical men, therefore I should like to know if there is sufficient evidence for his opinion given in the above quotation.—Yours &c.,

MAUD MARSHALL.

JAMES BOSWELL

By LYTTON STRACHEY.

IT would be difficult to find a more shattering refutation of the lessons of cheap morality than the life of James Boswell. One of the most extraordinary successes in the history of civilization was achieved by an idler, a lecher, a drunkard, and a snob. Nor was this success of that sudden explosive kind which is frequent enough with youthful genius—the inspired efflorescence of a Rimbaud or a Swinburne; it was essentially the product of long years of accumulated energy; it was the supreme expression of an entire life. Boswell triumphed by dint of abandoning himself, through fifty years, to his instincts. The example, no doubt, is not one to be followed rashly. Self-indulgence is common, and Boswells are rare. The precise character of the rarity we are now able, for the first time, to estimate with something like completeness. Boswell's nature and inner history cannot be fully understood from the works published by himself. It is only in his letters that the whole man is revealed. Professor Tinker, by collecting together all that is known of Boswell's correspondence and editing it with scholarly exactitude, has done a great service to English literature.* There is, in fact, only one fault to be found with this admirable book. Professor Tinker shows us more of Boswell than any previous editor, but he does not show us all that he might. Like the editors of Walpole's Letters and Pepys's Diary, while giving himself credit for rehabilitating the text of his author, he admits in the same breath that he has mutilated it. When will this silly and barbarous prudery come to an end?

Boswell's career was completely dominated by his innate characteristics. Where they came from it is impossible to guess. He was the strangest sport: the descendant of Scotch barons and country gentlemen, the son of a sharp lowland lawyer, was an artist, a spendthrift, a buffoon, with a passion for literature, and without any dignity whatever. So he was born, and so he remained; life taught him nothing—he had nothing to learn; his course was marked out, immutably, from the beginning. At the age of twenty-three he discovered Dr. Johnson. A year later he was writing to him, at Wittenberg, "from the tomb of Melancthon": "My paper rests upon the gravestone of that great and good man. . . . At this tomb, then, my ever dear and respected friend! I vow to thee an eternal attachment." The rest of Boswell's existence was the history of that vow's accomplishment. But his connection with Dr. Johnson was itself only the crowning instance of an overwhelming predisposition, which showed itself in a multitude of varied forms. There were other great men, for instance—there was Mr. Wilkes, and General Paoli, and Sir David Dalrymple. One of Professor Tinker's most delightful discoveries is a series of letters from the youthful Boswell to Jean-Jacques Rousseau, in which all the writer's most persistent qualities—his literary skill, his psychological perspicacity, his passion for personalities, and his amazing aptitude for self-revelation—are exquisitely displayed. "Dites-moi," he asked the misanthropic sentimentalist, "ne ferai-je bien de m'appliquer véritablement à la musique, jusques à un certain point? Dites-moi quel doit être mon instrument. C'est tard je l'avoue. Mais n'aurai-je le plaisir de faire un progrès continu, et ne serai-je pas capable d'adoucir ma vieillesse par les sons de ma lyre?" Rousseau was completely melted. The elder Pitt, however, was made of

sterner stuff. When Boswell appeared before him in the costume of a Corsican chieftain, "Lord Chatham," we are told, "smiled, but received him very graciously in his Pompous manner"—and there the acquaintance ended; in spite of Boswell's modest suggestion that the Prime Minister should "honour me now and then with a letter. . . . To correspond with a Paoli and with a Chatham is enough to keep a young man ever ardent in the pursuit of virtuous fame."

Fame—though perhaps it was hardly virtuous—Boswell certainly attained; but his ardent pursuit of it followed the track of an extraordinary zigzag which could never have had anything in common with letters from Lord Chatham. His own letters to his friend Temple lay bare the whole unique peregrination, from start to finish. To confess is the desire of many; but it is within the power of few. A rare clarity of vision, a still rarer candour of expression—without these qualities it is vain for a man to seek to unburden his heart. Boswell possessed them in the highest degree; and, at the same time, he was untroubled by certain other qualities, which, admirable though they be in other connections, are fatal for this particular purpose. He had no pride, no shame, and no dignity. The result was that a multitude of inhibitions passed him by. Nevertheless he was by no means detached. His was not the method of the scientific observer, noting his introspections with a cold exactness—far from it; he was intimately fascinated by everything to do with himself—his thoughts, his feelings, his reactions; and yet he was able to give expression to them all with absolute ingenuousness, without a shade of self-consciousness, without a particle of reserve. Naturally enough the picture presented in such circumstances is full of absurdities, for no character which had suppressed its absurdities could possibly depict itself so. Boswell was *ex hypothesi* absurd: it was his absurdity that was the essential condition of his consummate art.

It was in the description of his love affairs that this truly marvellous capacity found its fullest scope. The succession of his passions, with all their details, their variations, their agitations, and their preposterousnesses, fill the letters to Temple (a quiet clergyman in the depths of Devonshire) with a constant effervescence of delight. One progresses with marvellous exhilaration from Miss W—t ("just such a young lady as I could wish for the partner of my soul") to Zelide ("upon my soul, Temple, I must have her"), and so to the Signora, and the Moffat woman ("can I do better than keep a dear infidel for my hours of Paphian bliss?"), and the Princess ("here every flower is united"), and the gardener's daughter, and Mrs. D., and Miss Bosville, and La Belle Irlandaise ("just sixteen, formed like a Grecian nymph, with the sweetest countenance, full of sensibility, accomplished, with a Dublin education"), and Mrs. Boswell ("I am fully sensible of my happiness in being married to so excellent a woman"), and Miss Silverton ("in the fly with me, an amiable creature who has been in France. I can unite little fondnesses with perfect conjugal love"), and Miss Bagnal ("a Ranelagh girl, but of excellent principles, in so much that she reads prayers to the servants in her father's family, every Sunday evening. 'Let me see such a woman,' cried I"), and Miss Milles ("d'une certaine âge, and with a fortune of £10,000"), and—but the catalogue is endless. These are the pages which record the sunny hours of Boswell's chequered day. Light and warmth sparkle from them; but, even in the noon of his happiness, there were sudden

* "Letters of James Boswell." Collected and edited by Chauncey Brewster Tinker. 2 vols. (Oxford: Clarendon Press. 36s.)

clouds. Hypochondria seized him; he would wake in the night "dreading annihilation, or being thrown into some horrible state of being." His conscience would not leave him alone; he was attacked by disgraceful illnesses; he felt "like a man ordered for ignominious execution"; he feared that his infidelities to Mrs. Boswell would not be excused hereafter. And then his vital spirits rushed to his rescue, and the shadow fled. Was he not the friend of Paoli? Indeed he was; and he was sitting in a library forty feet long, dressed in green and gold. The future was radiant. "My warm imagination looks forward with great complacency on the sobriety, the healthfulness, and the worth of my future life." As for his infidelities, were they so reprehensible after all? "Concubinage is almost universal. If it was morally wrong, why was it permitted to the pious men under the Old Testament? Why did our Saviour never say a word against it?"

As his life went on, however, the clouds grew thicker and more menacing, and the end was storm and darkness. The climax came with the death of his wife. Boswell found himself at the age of fifty alone in the world with embarrassed fortunes, a family of young children to bring up, and no sign that any of the "towering hopes" of his youth had been realized. Worse still, he had become by this time a confirmed drunkard. His self-reproaches were pitiable; his efforts at amendment never ceased; he took a vow of sobriety under "a venerable yew"; he swore a solemn oath that he would give up drinking altogether—that he would limit himself to four glasses of wine at dinner and a pint afterwards; but it was all in vain. His way of life grew more and more disorderly, humiliating, and miserable. If he had retired to Scotland, and lived economically on his estate, he might have retrieved his position; but that was what he could not do; he could not be out of London. His ambitions seemed to multiply with his misfortunes. He exchanged the Scotch bar for the English, and lost all his professional income at a blow. He had wild hopes of becoming a Member of Parliament, if only he toadied Lord Lonsdale sufficiently; and Lord Lonsdale promised much, asked him to his castle, made a butt of him, hid his wig, was gravely concerned, and finally threw him off after "expressing himself in the most degrading manner in presence of a low man from Carlisle and one of his menial servants." Consolations now were few indeed. It was something, no doubt, to be able to go to Court. "I was the great man at the late drawing-room in a suit of imperial blue lined with rose-coloured silk, and ornamented with rich gold-wrought buttons. What a motley scene is life!" And at Eton, where he was "carried to dine at the Fellows' table," it was pleasant enough to find that in spite of a Scotch education one could still make a creditable figure. "I had my classical quotations very ready." But these were fleeting gleams. "Your kindness to me," he burst out to Temple, in April, 1791, "fairly makes me shed tears. Alas, I fear that my constitutional melancholy, which returns in such dismal fits and is now aggravated by the loss of my valuable wife, must prevent me from any permanent felicity in this life. I snatch gratifications; but have no comfort, at least very little. . . . I get bad rest in the night, and then I brood over all my complaints—the sickly mind which I have had from my early years—the disappointment of my hopes of success in life—the irrevocable separation between me and that excellent woman who was my cousin, my friend, and my wife—the embarrassment of my affairs—the disadvantage to my children in having so wretched a father—nay, the want of absolute certainty of being happy after death, the sure prospect of which is frightful. No more of this."

The tragedy was closing; but it was only superficially a sordid one. Six weeks later the writer of these lines published, in two volumes quarto, the "Life of Dr. Johnson." In reality, Boswell's spirit had never failed. With incredible persistence he had carried through the enormous task which he had set himself thirty years earlier. Everything else was gone. He was burnt down to the wick, but his work was there. It was the work of one whose appetite for life was insatiable—so insatiable that it proved in the end self-destructive. The same force which produced the "Life of Johnson" plunged its author into ruin and desperation. If Boswell had been capable of retiring to the country and economizing we should never have heard of him. It was Lord Lonsdale's butt who reached immortality.

THE DISTRIBUTION OF BOOKS.

By G. B. BOWES.

IN early days booksellers were also publishers, the introduction of the latter term and the distinction between the two branches being a growth of the eighteenth and nineteenth centuries. About the middle of last century bookselling fell on evil days, owing to the increasing prevalence of the practice of giving discounts from the published price and to the decision of a Committee of three eminent men to whom the question was referred, that any attempt to prevent this and to control the prices at which books were sold was contrary to the principle of Free Trade and against the public interest. The result was disastrous alike for literature and for the public. As a bookseller was at liberty to offer whatever discount from the published price he thought would attract custom (usually by diverting that custom from others), all the trade were sooner or later forced by competition to the underseller's price, with the result that the selling of new books ceased to be a calling in which a man could earn a living, and efficiency and service were at the lowest ebb. The younger generation, even sons of booksellers of established position, were diverted to other branches of industry which offered better financial prospects. By the end of the century it was calculated that the number of stockkeeping and intelligent booksellers had dwindled from about 1,200 in 1850 to some 200; the type of Sandy Mackay in "Alton Locke" was almost extinct. By the eighteen-nineties authors and publishers alike began to realize this (witness a Report by the Society of Authors and statements made at a meeting of the Publishers' Association, both in 1897), and by joint action between publishers and booksellers the Net Book Agreement was introduced in 1900, which provided that books should be sold at a reduced net cash price, with penalties for underselling. To quote the "Author" of March, 1904, "the system is that it removes the competition from one of cutting to one of competency."

Even this Magna Carta of the book-trade could not undo all the harm wrought in the previous half-century, but under its protection there has been a slow but steady revival. At first the allowances made to booksellers from the net published price were not large, though an improvement on the conditions which attended the pre-1900 discount days (the 16½ per cent. quoted by Mr. Unwin* did not cover working expenses even twenty-five years ago; still less does it do so now); also up to about ten years ago the net system was only adopted by some publishers and with certain books, so that it was still difficult, if not actually impossible, to make a living by the sale of new books alone without the assistance of other side-lines not really germane to bookselling. During the war the net system was gradually extended, so that now it applies to practically all books except such as are almost exclusively used in schools. But the great increase in working expenses, of which far the largest item is salaries, made it necessary for booksellers to claim

* See "The Price of Books," THE NATION, November 22nd, 1924.

a larger proportion of the published price, and the majority of publishers now recognize that this claim is well-founded and act accordingly. Put briefly, an allowance of 25 per cent. does little (if anything) more than cover working expenses, and no one can live under such conditions.

It may be asked—what does a bookseller do to earn a larger share of the price of the commodities which he sells? To begin with, bookselling is a calling which requires a high standard of education in both principals and assistants, and occupies, among distributive trades, a position something analogous to that of the pharmacist. We should not only have a knowledge of literature, but we should be abreast of all modern movements, of developments in arts and science, of new thoughts and ideas, and of the recreations and hobbies of the public. That we and our staffs have much leeway to make up in our intellectual equipment is recognized, in proof of which I may mention that classes in subjects pertaining to the craft of books have recently been started by our trade associations in London and Cambridge, and that papers and talks for the improvement of us all are constantly given at trade conferences and similar meetings. Further, we must bring to the notice of the public (many of whom are as yet not even readers, still less buyers of books) literature in those subjects in which they are individually interested, as many of us try to do. To make this possible we need an allowance sufficient to encourage us to try to obtain orders (in which some publishers think we do so little); in other words, to give us some return for the capital and labour involved in trying to promote sales, such an allowance as the figure quoted by Mr. Unwin of 33½ per cent. (to be regarded as a maximum, not a minimum, and as making some provision for the loss arising from overstock or bad stock, which even with the greatest care and judgment in buying cannot entirely be eliminated. The output of books published in Great Britain in 1924 was greater than in any previous year). Such publishers as do not at present give as much might justly consider this extra allowance as spent on publicity, and reduce some of their admittedly very heavy advertising expenses. For surely the best advertisement of a book is for it to be on a bookseller's counter or in his window, and one or two copies in fifty shops are more effective than the same number in one or two shops by reason of the wider distribution.

If we booksellers are really to fit ourselves for our calling and fulfil our duties as servants of the public—as all engaged in Industry are now recognized to be—we need some assurance that we shall receive a material reward commensurate with the zeal and energy which we devote to our calling. For, as Stevenson says, "To travel hopefully is a better thing than to arrive." We want by co-operation with authors, publishers, teachers, and the general public to reach the ideal laid down by the Committee on the Teaching of English in England: "In every town the bookseller's shop should become, what in university cities and in one or two other favoured spots it is already, a centre of literary and artistic interest and enlightenment; a place where the best books, new and old, can be inspected at leisure."

THE DRAMA

THE LITERARY DRAMA.

Phoenix Society: "The Assignment; or, Love in a Nunnery."
By John Dryden.

THE Phoenix Society are to be much applauded for the obstinacy with which they have presented to the public the works of Dryden. For Dryden is still the least read of our famous writers. He remains for the majority a colossal figure, looming vaguely on the horizon, "a man so much greater than all his works," as Edward FitzGerald wrote of him. It is not difficult to understand why he occupies this equivocal position. He was purely and absolutely a "man of letters," which is a species of person not easily appre-

ciated by Englishmen. He had no particular view of life, no strong moral or religious convictions; he had not a very passionate nature, and not any very great interest in human beings. He was only interested in literature, and expressed this interest in every form of writing, in satires, dramas, in prose and verse, odes, and criticism. If asked his object in life, he would have replied "to get on with my job," which was to improve and loosen the English language, taking it over, speaking roughly, where Ben Jonson had left it, and handing it on, improved, to Congreve.

"The Assignment" is a literary play. It is not one of Dryden's best plays; it is probably, in a certain measure, hackwork, but it is intensely literary, as it endeavours to create its dramatic effect, not by brilliant situations, insight into character, or outburst of rhetoric, still less by original ideas or startling reflections, but by the rhythm of its sentences and felicity of phrase. The words are written to be spoken and to tickle the palate of the listener, as he catches on to the elaborate rhythms and elegantly chosen language. It is a recondite, not very violent flavour. But the author hopes he has put in just enough to keep us amused. The stream is slow and shallow, trickling along towards tiny little cascades of jokes or situations, and curiosity is centred on wondering whether the stream will not get too sluggish to continue and fail to reach the next piece of wit or the confrontation of characters, which we nevertheless perceive in our mind's eye to be only a few yards ahead. The extraordinary thing is that it does continue to be mildly amusing, though in "The Assignment" the fifth act is intolerably drawn out and the amusement collapses. The author allows himself so few adventitious aids, that he cannot afford to make the smallest mistake. Congreve in his most literary drama, "The Way of the World," never tried to get along without character to the extent that Dryden did.

Such a curious play as "The Assignment" needs a particular skill in the actors, if it is to be really enjoyable, and unfortunately just that sort of skill which is most lacking to-day on the stage. The Phoenix Society cannot, therefore, be blamed for not having given a very successful performance. The chief requirement of the actor in such a comedy is a particular sort of literary tact. It is useless to try to put into the dialogue what is not there, or to try to give a third dimension to this surface prose. The dialogue must be taken very lightly, very quickly, very quietly. The tone should be the easy give-and-take of a drawing-room, at teatime rather than after dinner. Unfortunately, we live in an age when a capacity to "register emotion" is considered to be the beginning and the end of acting, with the result that nearly every line in the play was hopelessly overstressed. This oversteering is always an irritating feature of any revival of our classical theatre, but it is particularly intolerable in Dryden, and showed that hardly any of the actors understood what the author was getting at or what the play was about. Mr. Charles Carson, who played the old Duke of Mantua, was a most meritorious exception to this rule, and gave a delightful performance, and Mr. Cooper was often amusing in the easier part of Benito. But "The Assignment," in as far as it has any importance at all, is an Essay in Style, and Style is one of the things that modern English actors seem unable to understand.

Nevertheless, one does not wish to be ungrateful. I am very glad to have seen "The Assignment," as even an unsatisfactory performance makes an intelligent comprehension of a play easier. Still it is desirable to insist on the production's shortcomings, as there can be no reason why actors should not be taught to speak naturally and quietly on the stage as presumably they do in real life, and not to ram into every sentence five times as much meaning as the author intended, so as to remove in the process what little meaning there originally was.

FRANCIS BIRRELL.

FROM ALPHA TO OMEGA

THE first Act of the Hungarian dramatist, Ernest Vajda's, "Grounds for Divorce" at the St. James's Theatre drags ominously, and I thought that we were in for a very dull evening. Happily the promise of Act I. is not completely fulfilled by the rest of the play, which brightens up considerably and almost becomes amusing. But is it really necessary to go as far as Budapest for this kind of thing? Its spiritual home is Paris, and it has received papers of naturalization in every capital of Europe, including London. Its ingredients are charming, neglected wives; neglectful husbands, whose eyes are only opened to their own delinquencies and their wives' charms in Act III.; and the intricacies of divorce. In real life it is one's fortune to come across some pretty stupid people in one's journey from the cradle to the grave; but it is the triumph of those dramatists who concoct these plays to make the neglectful husband more stupid, more incredibly idiotic, than any human being who has ever lived on the other side of the footlights. The situations in this kind of comedy are so unreal, and the things which the characters have to do and say are so preposterous, that the characters themselves must necessarily be unreal. The only amusement to be extracted is from mixture of the ingredients and the exploitation of impossible people in absurd situations. Mr. Vajda does his best, and contrives to be mildly amusing, but why he should write "Grounds for Divorce" when he can write "Fata Morgana" remains a mystery. All the actors do their best; Miss Madge Titheradge as the neglected and charming wife and Mr. Lawrence Grossmith as the cynical and loyal friend are both excellent.

"Home Affairs" by Ladislav Fodor, just produced at the Everyman Theatre, is the most amusing new play I have seen since "Fata Morgana." Some Hungarians seem very good playwrights at present, and it is a pity we cannot know more of the most famous of them, Franz Molnar. "Home Affairs" is the story of a young politician of no importance, just married to a silly young wife, who is made Prime Minister for a season by his elders and betters, and then is dismissed to obscurity when the political position has properly developed. He is made Prime Minister on the day of his wedding, and the incompatibility of marriage and politics is the theme of the piece. Amusing as the play is, it might have been much more amusing, had not the producer and the leading lady been in a complete muddle as to what the play was about. The affection of the author was evidently for the politicians, but Miss Hilda Bayley, as the silly young wife, spent the whole time in a feverish effort to be sympathetic and to turn cynicism into sentiment. Mr. Claude Rains looked far too intellectual as the addle-pated young husband, but that was hardly his fault. But Mr. Felix Aylmer was excessively droll as an "elder statesman," and kept everybody in fits of laughter, while many of the minor rôles were amusingly filled. The play was taken much too slowly, and the translation was very slipshod, but, with all its faults, "Home Affairs" deserved its good reception, and ought to be moved to the middle of London. In that case it would be well to recast the part of the silly young wife. Miss Hilda Bayley has had a distinguished career on the stage, but her talents hardly find a suitable outlet in this particular sort of post-war play.

Another attempt has been made to film the "Inferno" of Dante, this time by the American firm of Fox, who are showing it at the Empire Theatre. No one can accuse film producers of lack of enterprise or of modesty: nothing is too large, nothing too venerable for their consideration. In this case, however, the name is scarcely more than a "publicity" title, the disguise of a very ordinary, inferior, modern melodrama, into which a few scenes of the "Inferno" are introduced. A wicked millionaire has a foretaste, in a dream, of the torments to which he has been consigned by one of his

victims, who has sent him a very nasty American edition of the "Inferno" with Doré's illustrations. When he awakes and finds that neither the torments of hell nor the temporal disasters which have been crowded into his dream are real, he (needless to say) repents and all ends happily. The "Inferno" scenes are vaguely reminiscent of Doré and of Blake, without either the dramatic quality of the one or the imagination of the other. The production and the photography are both poor, and the whole film is remarkable only for its dullness and incompetence.

There are some hundreds of posters to be seen in the International Posters Exhibition at the Whitechapel Art Gallery. The exhibition contains pictorial maps, plans, and photographs, as well as posters from all over the world, and has been collected mainly for educational purposes. No doubt it forms an excellent and entertaining lesson in geography. It is interesting also artistically, and, let us hope, may be an inspiration to the poster designers of this country, who seem, with one or two exceptions, to be singularly unenterprising. There is more English work here than of any other nationality, but apart from a few good posters by Mr. McKnight Kauffer and others, they are mostly very dull and very like each other. They try (and the English are by no means alone in this) to be at the same time striking and strictly representational, and seem not to realize that the art of the poster is a branch of decorative art rather than of painting pictures. Many of the Central European posters are good, and there are some particularly effective ones by a Swiss artist.

The following appeared in "Le Cri de Paris":—
Toujours jeune:

M. Winston Churchill est allé rendre visite à M. Clemenceau qui l'a reçu avec sa rondeur habituelle.

Le Tigre a annoncé à son éminent visiteur qu'il venait de terminer son livre sur l'Histoire des religions.

— Et quand comptez-vous le faire paraître? demanda M. Winston Churchill.

— Oh! dix ans après ma mort, — ou peut-être dix ans avant!

* * * * *

Un indiscret demanda au Tigre s'il ne consentirait pas à refaire de la politique.

— De la politique, ah non! Je suis maintenant installé au fauteuil de balcon d'où je regarde passer mon enterrement.

Things to see or hear in the coming week:—

Saturday, January 31.—Coleridge-Taylor's "Hiawatha," Royal Choral Society Concert, at 2.30, at Albert Hall.

Orchestral Concert for Children, at 11, at Central Hall.

30 guineas Exhibition of Eminent Artists, at Beaux Arts Gallery.

Sunday, February 1.—"Peter and Paul," Play Actors, at New Scala.

Monday, February 2.—John Drinkwater's "Mary Stuart," at Maddermarket, Norwich.

Copenhagen String Quartet, at 8.15, at Æolian Hall.

"The Lady from the Sea," matinée, at the Lyric.

"Are You a Mason?" at Fortune Theatre.

Tuesday, February 3.—Mr. W. J. Perry on "The Beginnings of Civilization," at 5.30, at University College.

Wednesday, February 4.—"The Dollar Princess," at Daly's.

Sir Ernest Rutherford on "The Stability of Atoms," at the Royal Society of Arts.

British Women's Symphony Concert, at 8, at Queen's Hall.

Philip Kerr on "Democracy," at 8.15, at Indian Students' Union, 112, Gower Street.

Thursday, February 5.—Mary Agnes Hamilton ("Iconoclast") on "Socialism and Art," at 8, at Toynbee Hall.

OMICRON.

THE WORLD OF BOOKS

CASTLEREAGH.

I DO not suppose it would be easy to convince the majority of readers that the history of foreign politics is an intensely interesting and amusing field of study. But that is what it is. It has two advantages over the history of internal politics: its stage is larger and the events staged upon it less parochial and frequently more dramatic; the psychology of statesmen and statesmanship can be seen in a peculiar and fascinating light when the actors are the Sovereigns or Ministers of hostile and friendly States. These reflections are caused by a reading of "The Foreign Policy of Castlereagh, 1815-1822," by C. K. Webster (Bell, 25s.), a book which I looked forward to with some eagerness, and which has not disappointed. Professor Webster is, of course, an expert, and his book is primarily intended for learned persons. Its very excellences may make it appear rather formidable to the ordinary person, for Professor Webster gives a minute account of the events of the seven years which followed the Napoleonic Wars and of the peace policy which was pursued during those years by the British Foreign Minister. Moreover, he does not wield a very light or graceful pen, so that the book sometimes makes unnecessarily crabbed or heavy reading. Despite this, I found it an absorbing book, an excellent study of the policy of a considerable statesman during a period which is unusually interesting to us at the moment, for we are passing through a similar crisis.

* * *

Professor Webster's book marks a further stage in the rehabilitation of Castlereagh's reputation as a statesman. The Whig bias which persisted so long in English history during the nineteenth century made Castlereagh one of its chief victims and scapegoats. He was represented as a stupid reactionary, tied to the tail of Russia, Austria, and Prussia, whose policy followed the interests of every country but his own, and whose best act was to cut his throat with a penknife. It was only when the Foreign Office records became available for use that the extent of this misrepresentation could be discovered and displayed. Already in 1907 in "The Cambridge Modern History" Mr. Alison Phillips could give a fairly accurate picture of Castlereagh's foreign policy; Professor Webster, with more material at his disposal, has, in his previous publications and now in this admirable book, given us all that is required for a final judgment.

* * *

This is not the place for detailed criticism of so learned and serious a work as Professor Webster's, but, having expressed my admiration for it, I can only deal—inadequately—with a general point. Professor Webster, I think, not unnaturally in his desire for a complete rehabilitation of his hero, tends to go a little too far in the direction which is opposite to that of the Whig historians. He reads too much into Castlereagh's policy, and gives him credit for ideas of which there is no real evidence. I am not referring to Castlereagh's policy during the peace negotiations at Vienna or in the negotiations with regard to the occupation and the payment of reparations during the first years of peace. Here one can follow Professor Webster completely in his interpretation of and admiration for Castlereagh's policy. Our ancestors between 1815 and 1822 had to face precisely the same problem which we have had to face between 1918 and 1925. After a long war Europe had beaten a Great Power to its knees; the map had to be

redrawn; the economic life of Europe had to be reconstructed; claims for vengeance, indemnities, and reparation had to be met and settled. That the whole of these problems were settled in the course of less than seven years, and on the whole with surprising moderation, justice, and wisdom, was due almost entirely to two men, Castlereagh and Wellington. They set themselves from the first immovably against a punitive peace, and as soon as peace was signed, they applied themselves, with great foresight and tenacity, to get the army of occupation out of France and the reparation problem settled. That part of Professor Webster's book in which he shows how this was achieved in the negotiations which culminated at the Conference of Aix-la-Chapelle is extremely interesting and illuminating. The difference between 1817 and 1920 could not be more clearly shown than by the fact that the Allies' impossible claims to reparations were remitted, with the approval of both conquerors and conquered, to the arbitration of the victorious Commander-in-Chief of the Allied Armies, and that Wellington agreed to a settlement which gave the Allies far less than they were entitled to, because, as he said, "the sacrifice was necessary and we should have got nothing if we had not made it." I wonder what Marshal Foch would have said under similar circumstances.

* * *

But where Professor Webster deals with the policy of Castlereagh in the wider field of European and world politics he is inclined to exaggerate his hero's foresight and wisdom. He credits him with a "great conception," which he calls "Diplomacy by Conference." He implies that Castlereagh was in advance of his age and had an idea of keeping the Alliance together and transforming it into a Concert of Europe through a series of Conferences, of which Aix-la-Chapelle was the first. I can see no evidence of this. Historians are apt to credit statesmen in the realm of foreign policy with a foresight and consistency which very few of them possess. Statesmen are like chess players. Most of them, if they are above the average, have a few quite clear and near objectives. They are aiming at taking a particular piece or beating off a particular attack or getting out of a particular difficulty. They only see a very few moves ahead in the game. Castlereagh was essentially this kind of player and statesman. He wanted peace, and so he wanted to get the army out of France; he wanted the Aix-la-Chapelle Conference because it was a useful move in that direction; but a year or two later he did not want the Alliance to interfere in Italy, and so he did not want the Conference of Troppau because that was a useful move for Russia and Metternich, who were in favour of Allied intervention. Castlereagh was, in fact, a player who had a clear idea of tactics, but did not understand the wider field of principles and strategy. Bismarck was, indeed, the only modern statesman who certainly did take this wide and long view in his manipulation of States and nations; he was a strategist as well as a tactician. Even Metternich, who at first sight may seem to have had a clear, consistent, and far-sighted policy, was little more than a tactician. His end was counter-revolution, and he made a move here and a move there whenever and wherever he thought that it would counter a revolutionary. But he had no broad conception of any European system or grouping towards which he could work consistently, and his policy was a series of improvisations to meet events as they came rather than the materialization of a conscious plan to control events. If this be true of Metternich, it is still more true of so typical a British statesman as Castlereagh.

LEONARD WOOLF.

REVIEWS

MANDEVILLE'S FABLE.

The Fable of the Bees: or, Private Vices, Publick Benefits.
By BERNARD MANDEVILLE. Edited by F. B. KAYE.
Two vols. (Oxford: Clarendon Press. 42s.)

A DEFINITIVE edition of Mandeville's famous book was needed; for, if the writer is not mistaken, no reprint has been issued for over a century. Mr. Kaye's edition is thoroughly satisfactory and praiseworthy. He has edited the book with conscientious scholarship; everything that learning and industry can give to the elucidation of an author, Mr. Kaye has given lavishly. His introduction may lack the brilliance and pungency of Leslie Stephen and Mr. J. M. Robertson (the two most illuminating writers on Mandeville), but it is a clear, thorough, systematic exposition of the subject. The annotations and appendices show wide reading, and in themselves form a valuable commentary on the development of thought in Europe between the sixteenth and eighteenth centuries. This edition is limited to 750 copies, but it will be the foundation for all subsequent editions of the Fable. If it is not possible for the unscholarly reviewer to praise intelligently work like Mr. Kaye's, he can at least register his appreciation of its value.

Mandeville's "Fable of the Bees," a quasi-Hudibrastic, didactic poem, was published in 1705 under the title of "The Grumbling Hive." It was reissued in 1714, with a long, defensive commentary and an attack on Charity Schools; and in 1729 a second part in dialogue form was published. Among Mandeville's other works are some imitations of La Fontaine, "Free Thoughts on Religion," "The Virgin Unmasked," and "A Modest Defence of Publick Stews." Mandeville was a Dutchman who settled in England and acquired the language so perfectly that many people refused to believe he was a foreigner. He died in 1733.

The doggerel fable is the least important part of the book. What matters is the prose commentary in which Mandeville expounds and defends the ideas of his fable. One has only to read a few pages to understand the book's scandalous success, the many attacks made upon it, and the extraordinary influence it had both here and on the Continent. Some of Voltaire's most cherished ideas were derived from Mandeville; Adam Smith was indebted to him; Dr. Johnson said he had learned much from the book, though he pointed out its main fallacy.

If Mandeville had written in French we should call him a *philosophe*, and probably admire his free thought and hatred of cant; as he wrote in English, most of us are content to neglect him. In a broad sense the "Fable of the Bees" may be described as a vigorous attack upon pleasing hypocries in morals, conduct, and political economy. It is a sarcastic, if coarse, exposure of the human habit of professing one set of ideas and acting in a directly opposite manner. By implication, it attacks Christianity; and it is admitted to be a predecessor of nineteenth-century utilitarianism. The present writer will not presume to meddle with the craft or mystery of Political Economy, but would venture to say that in the main Mandeville's ideas on that curious and uncertain topic are not greatly unlike those of an intelligent bank manager in our own time.

The paradox, "Private Vices, Publick Benefits," was defended with great ingenuity, but some sophistry. Relying considerably on La Rochefoucauld, Mandeville asserted that all the actions men usually described as "virtuous" were in reality selfishness or pride in various disguises. Taking "virtue" as something entirely free from either selfishness or pride, he had little difficulty in reducing it to the sternest and most ascetic Puritanism. But it was not hard to show that a great nation, which was entirely "virtuous" in this sense, could never be prosperous or populous. A sober, frugal, self-supporting nation, without luxuries, limiting itself to bare necessities, would never be rich enough to support a large population; it would have little trade, few arts and sciences, and a rudimentary culture. Therefore, Mandeville argues (addressing the various sects of religious and political idealists), what is called "vice" is really the life-blood of a great commercial nation. Men,

by seeking their private ends, benefit the community, because all this complication of "artificial" needs creates wealth and employs a numerous population. He instances the vast and complex industry created to gratify the "fickleness and luxury" of women, and says that, if all women became "prudent and moderate" in their desires, it would be a "calamity to the nation."

Mandeville is a thoroughgoing supporter of *laissez-faire*, and carries his theories to the point of asserting that the "labouring poor" should be kept ignorant and poor; if they are paid too little they will become discontented, if too much, slothful and insolent; if they are educated "above their station" they will refuse to do the dirty work of the world, which men will only do when compelled by economic necessity. He even defends the infamous gin-saloons of the eighteenth century on economic grounds.

What are we to say of this economic cynic? We must, I think, admit the force of his attack on human hypocrisy. But his strict limitation of "virtue" is obviously a sophistry; his assumption that material prosperity is the chief, if not the sole, object of human society is repulsive, though most people still act in accordance with it; moreover, so long as a nation is rich, Mandeville does not care whether the wealth is gathered into a few hands or distributed among many. Perhaps I am wrong; perhaps he thought it was better held by a few, for if distributed "prices would rise."

I have not been able to avoid economics, because they are the very centre of Mandeville's argument; nor have I done justice to the sharpness of his remarks on human nature, and his clever demolitions of the polite fictions of conventional morality. These could only be demonstrated by long quotations. Mandeville has always been infuriating to "idealists," who have denounced him angrily; but as an antidote to wild thinking, a "cooling card" for those whose sentiments are stronger than their judgment, he may be recommended.

RICHARD ALDINGTON.

"BEASTLY" SKELTON.

"And beastly Skelton, Heads of Houses quote."

ALEXANDER POPE.

Poems. By JOHN SKELTON. Edited by RICHARD HUGHES.
Limited Edition. (Heinemann. 15s.)

THE eighteenth century rediscovered Chaucer, the early ballads, and much other disregarded treasure, notably Shakespeare's Sonnets. The early nineteenth century rediscovered, amongst others, Webster, Ford, Marlowe, Massinger. The late nineteenth century rediscovered Marvell, Donne, Campion, Traherne. But none of these poets had a longer time to spend in draughty corridors and stuffy lobbies, waiting for entrance to the Hall of Fame, than John Skelton has had, and few could show such good recommendations as he. Once or twice it has seemed as if he really were going to be admitted; but each time the gates have been slammed in his face, as Pope, for instance, slammed them. The appearance of this volume, enthusiastically edited by Mr. Richard Hughes, must therefore be regarded as an event of great importance to English poetry, for Skelton last came out over eighty years ago, and was then edited by a scholar, the Rev. Alexander Dyce, for fellow-scholars, swathed in voluminous notes and published at a prohibitive price. Dyce had a kindly feeling for Skelton, but could not think of him as much more than a literary curiosity. Mr. Hughes takes Dyce's researches more or less on trust (Dyce certainly deserves such trust), but really believes in Skelton as a great poet. He prints not, indeed, a complete Skelton, but far more than a patronizing "Selections"; he regularizes the spelling as Professor Skeat did for his "Chaucer," and gives short notes at the foot of the text for the convenience of the general reader, mostly translations of obsolete words.

If, as may be expected, Messrs. Heinemann follow up this limited edition with a cheaper one, there is every reason to hope that Skelton's poems will regain a great part of the popular admiration in which they were once held. The fourth centenary of his death falls due in 1929: and no doubt before then someone will have started work on a revised Dyce; a difficult work, because most of the texts

and Skelton manuscripts are dispersed in private collections in America and elsewhere, but a work that will have to be done before Skelton can be said to have definitely "come back" to literature.

Mr. Hughes accounts for the neglect of Skelton in the years after his death as follows:—

"In the first place, he wrote at a time when the pronunciation of English was on the eve of a drastic change, and the dropping of the final *e* in so many words soon rendered his rhythms unintelligible. In the second, he came close before one of the greatest revolutions that ever transformed the surface of literature, the Elizabethan era. Precursing signs of that revolution were already in the air, and he set his face against them. It is easy for us now, prejudiced by a knowledge of what was to come, to blame him. But it would have been impossible to guess at that time, from the stilted Italianate compositions of the opposite camp, that the unaccountable Spirit of the Lord would choose such dry bones for its dwelling. Judged by themselves they were worthless, and Skelton was right in condemning them."

This is true so far as it goes. But the point is that Skelton epitomized and glorified all the pageantry, music, humour, faith, and dignity of the age closed by the breach with Rome; it was a pageantry of great stiffness and formality, contrasting with a music of extreme subtlety and sweetness; a humour of great coarseness and directness; a faith of simplicity and true charity; a dignity so unself-conscious that it could afford frequent excursions into nonsense and raiillery. The completeness with which Skelton represented this age is sufficient reason for his subsequent neglect. The latest Elizabethan critic to appreciate him was Thomas Churchyard, who edited him in 1568:—

"... O shall I leave out Skelton's name,
The blossom of my fruit,
The tree whereon indeed
My branches all might grow?
Ay, Skelton wore the Laurel wreath
And passed in schools, you know."

But thereafter the tide turned, and Skelton was merely a rude, railing rhymist, "I wot not for what worth or dignity named Poet Laureate." The iambic, trochaic, and dactylic feet becoming the sole legitimate metrical bases, poetry like the following was summarily dismissed:—

"Woefully arrayed,
My blood, man,
For thee ran,
It may not be nay'd,
My body blue and wan
Woefully arrayed."

"Thus naked am I nail'd, O man, for thy sake!
I love thee, then love me. Why sleepest thou? Awake!
Remember my tender heart-root for thee brake.
With paines my veinēs constrained to crake.
Thus tugg'd to and fro,
Thus wrapped all in woe,
Whereas never man was so
Entreated thus in most cruel wise,
Was like a lamb offer'd in sacrifice
Woefully arrayed."

Still less could the Elizabethans appreciate the childish pride of the following verse from "Speak, Parrot!":—

"With my beakē bent, my little wanton eye,
My feathers fresh as is the emeraldē green,
About my neck a circulet like the rich ruby,
My little leggēs, my feet both feat and clean,
I am a minyon to wait upon a queen—
My proper parrot, my little pretty fool,
With ladyēs I learnē, and go with them to school";

or the grotesque power of these lines from the "Addition to Philip Sparrow":—

"By the venomous serpent
That in hell is never brent,
In Lerna the Greekēs' fen
That was engendered then—
By the Stygial flood
And the streamē wood (mad)
Of Cocytus bottomless well—
By the ferryman of Hell,
Charon with his beard hoar,
That roweth with a rude oar
And with his frounzied fore-top
Guideth his boatē with a prop."

But this is a sort of poetry to the love of which I believe we are now returning or have already returned.

Mr. Hughes's services are such that I would prefer not to criticize his edition in much detail, but I do miss two or

three favourite pieces which he has omitted, notably the "Addition to Philip Sparrow," the "Devout Trentale for Old John Clarke" in mixed English and dog Latin, and three short ballads, "Womanhood, Wanton, Ye Want"; "Lullay Lullay Like a Child"; and "Mannerly Margery, Milk and Ale."

ROBERT GRAVES.

THE REPRESSIONS OF SHELLEY.

The Psychology of the Poet Shelley. By EDWARD CARPENTER and GEORGE BARNEFIELD. (Allen & Unwin. 7s. 6d.)

EVERY lover of freedom and toleration, however unwilling he may be to accept the Freudian doctrine in all its Athanasian rigour, must be grateful to the psychoanalysts for some things. Largely thanks to them, no subject is any longer taboo; and divergence from ordinary sexual habits is coming to be generally regarded as more unlucky than criminal. A closer investigation of Nature has narrowed the application of the word "unnatural." Sexual abnormality is recognized as being much more widely spread than was supposed. And it is blamed upon some irregularity in the endocrine balance, or upon some unfortunate experience in infancy, instead of upon deliberate wickedness.

But when the psychologist begins exercising his ingenuity upon the famous dead, the arguments employed are usually unconvincing. In the book under review a gentleman, bearing not inappropriately the same name as the Elizabethan author of "The Affectionate Shepherd," attempts to throw new light upon the character of Shelley. The poet, he says, was of feminine appearance; his voice was shrill; he admired classical statues of men, and even of hermaphrodites; a woman never kept his affection, a man never lost it; he defended "lawless love," including incest; he found the idea of sexlessness inspiring; and there was in him a fundamental, if angelic, ineffectualness which points to some grave internal conflict. Add the facts that he suffered from paranoia (delusion of persecution), and that psychoanalysts believe paranoia to be a sign of repressed homosexuality, and is not the key to his character placed for the first time in our hands?

But is it? The modern psychologist is apt to be more slippery than the eel. If there are signs of abnormal tendencies, he points to them proudly. If there are not, then evidently they are repressed, and he is more certain of his case than ever. Thus Mr. Barnefield points out that Shelley, in his translation of the "Symposium," omitted the more outspoken passages about homosexual love, in spite of his absolute disregard for public opinion. This, we are told, was because "he shrank from a definite conscious revelation of his own half-repressed impulses, even if that revelation were only made to himself." But in the first place it is probable that it was Mrs. Shelley, and not the poet, who bowdlerized the translation; and in the second, if it was he, it might equally well be because he had a strong, natural, and not unusual repugnance for the subject. And, indeed, when Byron, during his time in the Mocenigo Palace, showed tendencies that were quite conscious and unrepressed, Shelley, as an extant letter shows, was most indignant. Again, his greater faithfulness to men than to women may be much more plausibly put down to the absence of any strong sexual feeling towards the former. The more violent the emotion, the more likely it is to pass. If he had kept his women friends, and frequently changed his men friends, it would have been vastly more suspicious.

Finally, there is the argument of his "idealism" with which Mr. Edward Carpenter makes great play in an introduction almost as long as Mr. Barnefield's paper. Mr. Carpenter has always maintained that the love of men for each other is more faithful and less physical than their love for women. It is true that moral feeling and social pressure often succeed in lending to the former emotion an "idealistic" character by hindering its full expression. And it is probably true that their bad adaptation to environment inclines those subject to this emotion to be more than ordinarily "sensible," in the eighteenth-century sense of the word. But we know of no reason to suppose that they are naturally more "idealistic" than other people. Indeed, to suppose that they

are of a finer grain than their fellows seems to us as absurd as to suppose that they are more gross or more corrupt.

Mr. Barnefield's book does for a moment appear suggestive. But, on reflection, we think that there are few poets whom he could not have examined with at least equally good results. Shelley was in all appearance a singularly unrepressed character, and we remain convinced that he was, like most of us, a natural lover of women. And the furthest we can go to meet Mr. Barnefield is to admit that the poet's affection might also have been given to men, had he lived when and where such affections were fashionable, in Periclean Athens, for instance, or contemporary Paris. But may not that, too, be true of most of us?

RAYMOND MORTIMER.

THE PLAYS OF MR. GALSWORTHY.

The Works of John Galsworthy. Manaton Edition. Plays: Volumes II., III. and IV. (Heinemann.)

THE plays collected in these beautifully produced volumes begin with "Justice," published first in 1910, and end with "Windows," which appeared in 1922. As the outward proof of a body of work achieved they have a certain impressiveness. They move us still, even if the mass of inert and mechanical convention has come into surprising prominence. It is clear that Mr. Galsworthy has a sense of drama; it is equally clear that it has been obscured by his determination to prove that all drama is a by-product of social wrongs. This makes his work curiously one-sided. He has been held up as a model of impartiality in an artist, but he is impartial, at most, within the limits set by his ruling preoccupations. One has only to glance over the titles of some of these plays to see what these are: "Justice," "The Fugitive," "The Mob," "The Skin Game," "A Family Man." In one half of Mr. Galsworthy's plays there is sure to be a policeman or a detective, and in the other half the law will be either invoked or represented by one of its agents. Whatever Mr. Galsworthy is, he is not an objective observer of life.

And although he is preoccupied with the evils of society, there is no convincing sign that he has profoundly comprehended them. His preoccupations are singularly circumscribed, and that is, no doubt, what makes his plays already look so old-fashioned, although the first of them was published only fifteen years ago. The author takes an evil—in "Justice" our penal system, in "The Fugitive" the anomalies of our divorce laws—and treats it exactly and fairly, but without relating it back to the general mass, permanent or remediable, of evil in society. He simply shows evil, perhaps in the faith that, being seen, it will be swept away. This amounts to saying that all his plays, in spite of their reticence of statement, are a sort of rhetoric. They are appeals to sentiment purely, and they assume that what is not fully grasped can yet be remedied. All of them have thus an appearance of both going too far and not going far enough, as if their author were a little puzzled, and, while able to indicate, could not give guidance. His plays are indecisive: they are neither propaganda undisguised, like Mr. Shaw's, nor pure drama. They begin as propaganda; they are modified to give an appearance of art. Mr. Galsworthy's dramatic convention is a compromise whose unsatisfactoriness becomes obvious immediately its novelty is worn off.

The one quality which remains admirable in these plays, after anything from fifteen to three years, is their conscientious craftsmanship. Built on the sand, they are yet well and truly built. To their author, one feels, unremitting care and art are almost synonymous terms. He avoids faults with so much vigilance that sometimes, one feels, he inadvertently avoids excellence. He consistently refrains from an indulgence in the telling phrase and from hitting the fatal nail on the head; but, conversely, he rarely lets the heart speak, as it must needs in drama. His characters never lose a certain suppression of feeling, even when they have succeeded in ridding themselves of their suppressions of thought. They have no language for grief, joy, or rage, save that which they use every day and on all occasions. It is as if Mr. Galsworthy had resolved to write a kind of drama which, from beginning to end, would stop

short of utterance, of dramatic expression. So he has never revealed to us in his art our own modes of feeling, suffering, and enjoyment, of which we are often unconscious; he has only shown our suppressions. He does not make us more conscious of our lives, as all true artists do; he makes us conscious, rather, of things outside us, institutions, conventions, laws, which oppress our lives. In doing so he has rendered us a service, no doubt, but it is one which remains less positively efficacious than the operation on us of a single work of pure art.

As an artist in ideas, Mr. Galsworthy is too partial to certain of his characters to be persuasive. In "A Family Man" his confidence in the rectitude of the wife puts us in danger of throwing our sympathies on the other side. Even in "Justice" our pity for the victim would be far greater if it were not so deliberately solicited. With this temper and this method Mr. Galsworthy has done all that a writer could. But the convention which he has adopted does not give him a chance. His fame must continue to rest on his novels, where he has left himself more loopholes to escape from his theory of art.

EDWIN MUIR.

POLYNESIAN ETHNOGRAPHY.

The Social and Political Systems of Central Polynesia. By ROBERT W. WILLIAMSON, M.Sc. Three vols. (Cambridge University Press, 75s.)

THE wide region of Polynesia presents to the student a great uniformity both in its population and in the culture of the different islands. The Polynesians are light-skinned, and are probably the result of the mixture of two main stocks, one narrow-headed and the other broad-headed. During many centuries, about the beginning of our era, these people migrated from India, by way of the East Indian Archipelago, out into the Pacific, which they gradually colonized, moving from one island group to another, from Samoa to Tahiti, from Tahiti to Hawaii on the one hand, and to the Cook Islands on the other, and thence to New Zealand. The story of the colonization of the Pacific is one of the most romantic known to men; for the thought of those ancient mariners voyaging in their boats for thousands of miles across uncharted seas, to found settlements, maybe in Tahiti, maybe in Easter Island, maybe in Oahu, is surely a thought as stimulating as well can be. When we study the history of this movement, and understand the sequence of colonization, we find that the culture of the earliest settlements in the great chain of islands extending from India to Easter Island is uniform to an astonishing degree. The historian of the Polynesians can watch the gradual break-up of this archaic civilization as he traces its movements from one centre to another, and thus can learn much of the real nature of human culture.

Mr. Williamson has performed a notable service to anthropology. For he has collected all the available evidence relating to those parts of Polynesia that lie near to the Equator—thus leaving out Hawaii and New Zealand—and with painstaking exactitude has undertaken the labour of sifting it out. He has been led to leave Fiji on one side, which is disappointing; for Fiji, Samoa, and Tonga undoubtedly formed the chief focus of Polynesian culture in the early days of the colonization. There are, of course, reasons for including Fiji in Melanesia, but culturally it should be considered together with Samoa and Tonga.

We stand at this moment on the threshold of a new epoch in Polynesian studies. The intensive labours of the band of workers attached to the Bernice P. Bishop Museum of Honolulu during the past few years are about to bear fruit, and before long we shall possess vast stores of new knowledge about the Pacific. For instance, Mr. Handy's recent volume places our knowledge of the Marquesas on a new footing. Mr. Williamson's work therefore represents the summing-up of the results of the first great epoch in Polynesian studies, and it will be the standard work of reference on those topics which he has examined, for nothing can surpass the care and accuracy of Mr. Williamson's work. His early training shows itself in every page, and the way in which he marshals vast masses of evidence and dispassionately discusses each possibility of interpretation is a sure witness to the balanced attitude of the legal mind.

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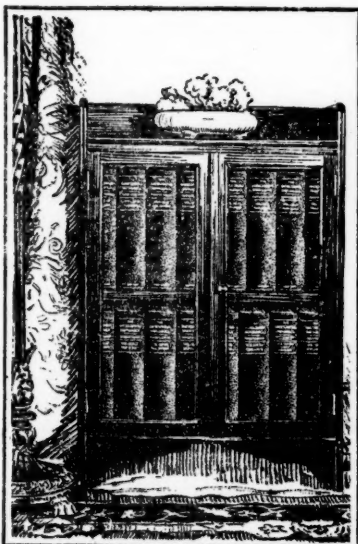
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The student can always be assured that there has been no selection of the evidence. Mr. Williamson is candour itself, and at each stage of the argument is at great pains to explain to the reader the exact value that he attaches to his interpretation of the particular group of facts under consideration.

There is so much to praise in this vast work that it is hard to know where to begin. Mr. Williamson treats of the political and social groupings and organization of each community, as well as totemism, exogamy, warfare, descent, inheritance, succession, land tenure, the administration of justice, and other matters. In all cases he illuminates the subject, and presents an excellent description of the situation as it can be understood from the study of the available literature. In some instances he has made notable advances, and particularly in regard to relationship, marriage, and warfare. His chapter on Exogamy (No. XVII.) has opened up a new era in the study of this topic in Polynesia, for hitherto but little attention has been paid to it. Mr. Williamson has also recognized that warfare is not the haphazard mode of behaviour that some would believe it to be, but that, on the contrary, it is influenced by certain social institutions, particularly those dependent on definite social groupings. The chapter dealing with this subject is a notable contribution to the subject. As would be expected, Mr. Williamson has much to say on Land Tenure and Control, his digest of which is most illuminating.

Mr. Williamson has devoted an introductory chapter to the discussion of various theories concerning the peopling of the Pacific, and the reader will find this most helpful. This chapter is especially noteworthy for a clear account of Rivers's views on this topic: indeed the influence of Rivers is patent throughout the work. Mr. Williamson is a very able exponent of the views of others.

Finally, I must pay my tribute of respect to the author for the wonderful index, in which I have been revelling ever since the work came into my hands. An index extending over one hundred pages is a joy for ever. But it is only in keeping with the whole work, which is a landmark in Polynesian studies.

W. J. PERRY.

A SPANISH POET.

Saint Jean de la Croix et le Problème de l'Expérience mystique. Par JEAN BARUZI. (Paris: Félix Alcan. 40fr.)

Aphorismes de Saint Jean de la Croix. Texte établi et traduit par JEAN BARUZI. (Bordeaux: Feret; Paris: Boccard. 10fr.)

IN 1567 St. Teresa was fifty-two years old and becoming famous. She had already founded two of her convents for women, and was looking for a priest who would apply her rule to men also when she met a young man just returned from the University of Salamanca, who seemed exactly to suit her purpose. This was San Juan de la Cruz, the first friar of the Barefooted Carmelites.

He was very small—her "half-friar," she called him—with black hair and a pale complexion; already he led a most religious life, fasting continually, sleeping very little, and scourging himself as often as possible.

Now, with one elderly companion, in a little unfurnished barn on the Castilian plain, he founded the first of these monasteries, which depend for their support entirely upon chance contributions. When nothing came in they did not eat—and this made them happy.

Since long ago the Virgin Mary appeared to Elijah in the form of a little cloud, and, uniting with him, gave birth to a race of ascetics, the Carmelites have lived for contemplation.

For this Juan was admirably fitted; he loved solitude and silence, he hated talk; the complexity of the world disturbed him. Unlike the female saints, he did not see spectres or hear voices, but aspired to an intellectual vision of the Deity. Teresa, who had hoped to find a man of action who would fight and organize, was disappointed by this "Little Seneca," and did not spare her irony. "May the Lord deliver me," she wrote to her new favourite, "from people so spiritual that they want to turn everything into pure contemplation." The Lord answered her prayer, for before the year was finished Juan was carried off in the night

and thrown into a dungeon. For nine months he lay in Toledo, shut up in a little water-closet not much bigger than himself, starved, scourged, covered with ulcers, eaten by lice, expecting to die in secret of poison or starvation. His friends forgot him. "I do not know how it is," wrote Teresa; "no one ever seems to remember that saint." Yet already, with the connivance of a gaoler, he had made an adventurous escape.

He had exchanged his health for the reputation of a martyr: had undergone the most painful and most profitable of his mystical experiences and—what is more surprising—had composed the greater part of his poems.

The last thirteen years of his life were spent in various hermitages and monasteries of Andalusia—on the fertile hillside of Corazuela, at Beas, at Baeza, and in M. Meersman's garden, on the ridge that overlooks the waters and olive trees of Granada. Here, refusing food and sleep, he practised his terrible and delightful mortifications (the iron hooks he wore round his waist had grown into his flesh; at night the monks shuddered at the sound of his lashings); and, sitting under trees, by streams, or in the hollow of a rock, he raised his mind from the beauty of the creatures to the superior beauty of God.

But Teresa died; her successors drove him into exile; he was ordered to go to America; he was threatened by the Inquisition as an *iluminado*. Covered with ulcers, he died in 1591 at Ubeda, and his body was cut up by his admirers for relics.

Juan de la Cruz, though he wrote so little, was one of the great lyrical poets of his century. His two principal poems, the "Cancion" and the "Noche Oscura," are written in the *lira*, a beautiful metre which Garcilaso introduced from Italy. The imagery is that of the pastoral poems of the day, and especially of "The Song of Songs," which was itself regarded as a pastoral eclogue, where the soul pursues and converses with the Beloved. That, in fact, is the theme of the "Cancion," in which, as in most of his poetry, each image is symbolical. San Juan wrote his prose works to explain his poems: each word or line is the subject of a chapter; and these books, written in a clear and arid style, are among the more important text-books of mystical theology.

M. Baruzi's admirable book will be the standard work on this poet. It took ten years to write, and contains 790 pages. Of these sixty are devoted to a discussion of the texts, 160 to the biography, and 480 to an exposition of San Juan's mystical theology.

"Jean de la Croix," he writes, "est dépourvu d'imagination proprement métaphysique. Mais il a réduit le mysticisme à son essence, et dès lors, une métaphysique est enveloppée en sa contemplation." The biographer's interest lies in extracting this metaphysic; San Juan's ideas are transposed into a form more acceptable to people who are familiar with Kant and Hegel and Bergson and Durkheim and Von Hügel; and the material (much of it quite new) is selected and arranged for this purpose.

There is no alternative for anyone who wishes for reliable information on Juan de la Cruz but to read M. Baruzi's 790 scholarly pages.

JUTLAND AGAIN!

The Jutland Scandal. By Admiral Sir REGINALD BACON, K.C.B., K.C.V.O., D.S.O. (Hutchinson. 5s.)

THE "scandal" referred to in the title of Admiral Bacon's book is not the manner in which the Battle of Jutland was fought, but the manner in which the facts of the battle have been presented to the public. Shortly put, Admiral Bacon's case is that Lord Jellicoe's conduct of the battle has been the subject of an unfair and misleading campaign in the Press, directed to exalting Lord Beatty at the expense of his Commander-in-Chief, and that the effect of that campaign has been accentuated by the Admiralty's suppression of the Harper Report, and the belated issue of an Official Narrative, in which important facts were omitted or misrepresented.

Admiral Bacon is not content, however, with defending Lord Jellicoe and, incidentally, Admiral Sir H. Evan-Thomas, from what he regards as unfair criticism. He carries the war into the enemy's camp and sets out to prove that

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Lord Beatty was insufficiently qualified by capacity and experience for the important command entrusted to him; that he was responsible for the escape of the German battle-cruisers from destruction in the Dogger Bank action; and that, finally, his failures in the Battle of Jutland itself were mainly responsible for robbing the British Fleet of the tangible results which Lord Jellicoe's manœuvres would otherwise have secured.

There is no reason why Lord Beatty, any more than any other naval or military leader, should be immune from criticism, and Admiral Bacon's criticisms are both definite and closely reasoned. The public, however, views with strong distaste the tendency to turn a technical discussion of the tactics of Jutland into a prize-fight between the partisans of the two Admirals, and Admiral Bacon's cogent defence of Lord Jellicoe would have carried more weight had his counter-offensive been more restrained. It will be noticed with considerable satisfaction that "Lord Jellicoe has had no hand, directly or indirectly, in the inception, writing, editing, or publishing of this book." At the same time Admiral Bacon's heat is easy to understand, and the chief responsibility for the controversial tone given to the discussion must remain with the Board who suppressed the report approved by the impartial authority of Lord Wester-Wemyss, and allowed the publication of a Narrative bearing the marks of an *ex-parte* statement.

To the lay reader the first four chapters of the book will be of special value. In these Admiral Bacon explains clearly and simply, with the aid of diagrams, the meaning of such tactical terms as "deployment" and the "turn away," and the outstanding differences between naval warfare under sail and under steam. These chapters should do a great deal to make the various narratives of the battle intelligible to those without technical knowledge, to explode journalistic rhetoric about "the Nelson touch," and to bring home the enormous responsibilities attaching, under modern conditions, to a commander at sea.

ON THE EDITOR'S TABLE

THE OXFORD UNIVERSITY PRESS is publishing an interesting series of facsimile reprints of first editions of some famous poems. They are in pamphlet form—if a pamphlet can attain the dignity of being 14½ inches by 9½ inches—and are bound in very attractive marbled paper which, we hazard the conjecture, probably comes from the master in this craft who practises his art near Kingsway. There have been published: Alexander Pope, "Of the Characters of Women," 1735 (5s.); Thomas Gray, "Ode on a Distant Prospect of Eton College," 1747 (3s. 6d.); John Dryden, "MacFlecknoe," 1682 (4s. 6d.); William Shenstone, "The School-Mistress," 1742 (5s. 6d.); "The Drury-Lane Prologue and Epilogue," 1747 (3s. 6d.). The editions are limited, in most cases to 550 copies, in one to 400 copies. The facsimile reprints of the Oxford University Press are always admirable; perhaps the best ever achieved by them is "Milton's Poems, 1645" (10s. 6d.), a most beautiful book in every way.

Three interesting autobiographies have been published. In "This for Remembrance," by Bernard, Lord Coleridge (Fisher Unwin. 15s.), we are given the reminiscences of a distinguished lawyer and judge, but Lord Coleridge does not confine his book to his own life; he goes back into a remoter past, and gives some interesting extracts from the diary of Sir John Taylor Coleridge, 1820-1835. "My Story," by Arthur Lambton (Hurst & Blackett. 18s.), tells the life-history of a member of the great Lambton family, a son of Major-General Arthur Lambton. In "Twenty-five Years in Six Prisons" (Fisher Unwin. 12s. 6d.), Mr. Eustace Jervis, who was Chaplain at six of H.M. Prisons, gives his memories of the prisons and their inmates. "Mr. Pepys," by J. R. Tanner (Bell. 7s. 6d.), is an "introduction to the Diary" by a great authority on Pepys. Dr. Tanner gives a sketch of the later life of the diarist.

Dora Wordsworth, the poet's daughter, kept an "album," as so many people did in times past, and many famous men and women wrote contributions to it. In "Dora Wordsworth, Her Book" (Selwyn & Blount), F. V.

Morley gives the contributions of all the more famous contributors, with a running commentary.

"The Coasts of Illusion," by Clark B. Firestone (Harper. 16s.), deals with the great travellers' tales which have persisted through the ages down to the middle of last century. It is lavishly illustrated. In "To Lhasa in Disguise" (Thornton Butterworth. 21s.), Dr. W. Montgomery McGovern tells in book form the story of his adventurous journey which many people have seen on the film. "Two Vagabonds in the Balkans," by Jan and Cora Gordon (Bodley Head. 12s. 6d.), is the work of two artists who illustrate their own books, and who are wise enough to travel light. Many will remember their previous book "Poor Folk in Spain."

"Knowledge is Power," by Sir Philip Gibbs (Hutchinson. 10s. 6d.), is a new edition of Sir Philip's early essays on culture, great writers, and "great subjects."

A book which ought to be useful to many people is "Kitchenette Cookery," by G. F. Scotson-Clark (Cape. 2s. 6d.). It is intended, in particular, for those who do without servants, and will help them to cook eatable meals with a minimum of time and trouble.

Two annuals which are of the greatest utility deserve notice: "Willing's Press Guide" (Willing. 2s. 6d.) is indispensable to anyone who has any connection with the world of newspapers and magazines; "Whitaker's Cumulative Book List, 1924" (Whitaker. 10s.) gives a list of books published during the year, arranged under subjects and alphabetically under the authors' names, and finally, a full alphabetical list and index to authors and titles.

NOVELS IN BRIEF

The Next Move. By Mrs. HENRY DUDENEY. (Collins 7s. 6d.)

Once more we are in that old-world, pensive Sussex which Mrs. Henry Dudenev can evoke so well, a Sussex lovelier and more wistful from the fact that the story begins in war time. Romance and brief adventure develop into the deeper romance of married life with its fascinating tests of temperament and character. Gillian, one of the Penfolds, plain, devoted, admirable in every way, but a little frigid, cannot overcome the restlessness of her husband, Charles Lee Gorringe. Descendant of an old family, the sons of which have sown many wild oats in their time, he is drawn once more by the desire of change and conquest. Readers may feel, perhaps, that Sir Charles, handsome, brave, but somewhat lacking in moral fibre, would have been content to indulge in a number of minor infidelities rather than take, on first discovery, the drastic step which he did, but the novelist has intended not only to show the power of true emotion, but to prove, despite divorce, the sanctity of religious marriage. The moral, however, is not obtrusive, and follows naturally from the action and development of the main characters.

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Blackmarston. By Mrs. HICKS BEACH. (Constable. 7s. 6d.)

Readers of Miss Sheila Kaye-Smith's well-known story of the decline of a great county family will find here a contrary, but invigorating, picture of aristocratic fortunes. Mrs. Hicks Beach puts up a very spirited defence, and proves completely, for the time being, at least, the glory of British incompetence and "muddling through," when allied with distinctly bluish blood. Mary Conyers, with more character than good looks, indomitable energy, and belief in her family tree, is more attractive than half a dozen romantic or modern young women. From the suburbs, armed with the "Morning Post" and "Burke's Peerage," she enters into battle, takes control of "Blackmarston," which has been mortgaged to her father, and proceeds to rout her aristocratic cousins Bill and Barbara. Despite the business efficiency of Mary, Bill Conyers, who whistles his way charmingly through life, in the truly aristocratic, devil-may-care fashion to which we, in the gallery, must respond, comes out best. What does it matter if he settles down on the money somebody else has earned?—that is his natural prerogative, and the family remains "landed." Here is splendid snobbery, and much that is witty, human, and stimulating.

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FINANCIAL SECTION

THE WEEK IN THE CITY

MR. McKENNA—BANK REPORTS—FRENCH FINANCE.

MR. McKENNA earned a great reputation for lucidity of exposition in his Budget speeches, so that it is natural the City should now look to him for an exceptional Bank speech. In his annual address this week to the shareholders of the Midland Bank, Mr. McKenna lived up to expectation, explaining with great clarity the factors to be taken into account in regard to currency values and the return to the gold standard. He declared himself a believer in the gold standard, though on practical and psychological rather than on theoretical and economic grounds. Indeed, he drew attention to the instability from which gold, like any other standard of value, may suffer in relation to commodities in general, and pointed out that while through the centuries gold in terms of goods and services has continuously depreciated, it has undergone considerable fluctuations in quite short periods of time. In summarizing his views, however, he took the line that "so long as nine people out of ten in every country think the gold standard the best, it is the best." With regard to an early return to the gold standard he was definitely optimistic, while refraining from any discussion of the ways and means, and the most interesting part of his address in this connection was his analysis of the movements in the sterling-dollar exchange in relation to the policy of the Federal Reserve Board. "The figures suggest," he said, "that the Federal Reserve Board felt last summer that they had gone far enough in the policy of sacrificing earning assets in order to neutralize the effect of the incoming gold." In other words, since last spring trade in America has been assisted by allowing the increased amount of gold held by the Federal Reserve Banks to become the basis of additional loans, which create new deposits, or in other words, increase the purchasing power of the public. It will not be easy for the Federal Reserve Board deliberately to reverse its present credit-expansion policy, and its best hope of gentle application of the brake as the momentum of the trade boom increases will lie in some check to the inflow of gold, which the restoration of the gold standard in this and other countries, now ready to follow our example, might be expected to provide. Despite his advocacy of its advantages, Mr. McKenna said nothing in support of a definite attempt to restore the gold standard as soon as possible. The impression he gave was rather one of quiet optimism if matters were allowed to take their course. Of the general outlook, the signs are propitious, in Mr. McKenna's opinion, for an expansion of business in the coming year. But however important the restoration of Europe may be, the ex-Chancellor clearly believed that our prosperity depended upon his present successor in office reducing the burden of taxation. Our present taxation, he said, eats deep into the reserves which are indispensable for business expansion. The City has found in Mr. McKenna a spokesman of one of its most cherished traditions.

The increase in net profits disclosed by the "big five" Banks and the Lancashire banks for the year 1924 does not prove very much with regard to the course of trade generally, but the larger increase in profits shown by the former as compared with the latter may be taken to indicate that London, as a financial centre earning commissions on international trade and finance, fared much better in 1924 than the country at large engaged in industry proper. This was not unexpected, but the following table serves to drive it home:—

	Net Profits.		Approx. Increase.
	1923.	1924.	
Barclays	£1,891,066	£2,067,281	9%
Lloyds	2,047,116	2,463,954	20.6%
Midland	2,210,972	2,424,990	9.6%
National Provincial	1,791,287	1,974,043	10%
Westminster	1,804,783	2,013,502	11.5%

	Net Profits.		Approx. Increase.
	1923.	1924.	
Bank of Liverpool & Martins	£486,966	£530,442	8.8%
District	428,606	448,073	4.4%
Lancs. & Yorks	240,302	242,957	1.2%
Manchester & County	190,105	193,393	1.5%
Williams Deacons	327,247	338,893	3.6%

(No changes have been made in dividend rates.)

Net profits of the Banks are not yet up to the level of 1921, but the increases shown are no doubt due to the increased volume of loans for trade purposes, and the more rapid turnover of resources. "Money," said Mr. McKenna, "never rests entirely idle; it moves slowly or fast. During the past year it has kept up a steadily quickening pace." The continued rise in advances and acceptances, indicating increased trade activity, is worth some analysis. The increase in the volume of acceptances in the case of the Midland was only 7 per cent., National Provincial 30 per cent., Westminster 35 per cent., Barclays nearly 50 per cent. (100 per cent. as compared with 1922). The increase in the volume of advances in the case of the Midland was 1.1 per cent., National Provincial 3 per cent., Barclays 6 per cent., Westminster 20 per cent. Over one half of the resources of the Midland Bank was employed in the shape of loans and advances for the purpose of trade. As an investment proposition the shares of the "big five" are not greatly attractive. Prices over the course of the year have so risen that the yields vary from less than 4½ per cent. in the case of fully paid shares to over 5½ per cent. for shares with a substantial liability.

Now that the new slice of Conversion Loan has been properly digested, we may congratulate ourselves upon the ease with which the funding of some £50,000,000 of debt has been accomplished. How unhappy is the condition of France by comparison! The public debt of France has risen from 32,594 million francs in 1913 to 313,814 million francs in 1924, of which 277,850 millions were internal and 35,964 millions external (divided into 30,815 million "political" and 5,149 million "commercial" debt). Though nothing is being paid on the "political foreign debt," sixty per cent. of the French national income is being consumed by debt charges. The problems confronting the British Treasury fade into insignificance compared with those confronting the French Ministry of Finance. About a third of the total internal debt is floating debt, and of this about two-thirds consist of National Defence Bonds held by the French public for at most twelve months. Of the rest of the internal debt, the longer short-term debt is all redeemable within ten years at the latest, and most of it within five years. According to a well-informed correspondent of the "Times," the Treasury faces a possible demand this year for repayment of short-term securities amounting to 22,000 million francs, with lesser amounts in succeeding years, culminating with the 5,500 million Treasury Bonds in 1929. Yet there is talk of expecting France to pay her "political" debt abroad. Naturally, to keep these maturities rolling, strains the ingenuity even of the most expert French official. The French public fights shy of long-term loans, and each successive funding operation tends to become a conversion of cheap into dearer debt. The 5 per cent. Treasury Bond issue in the autumn is, for example, redeemable in ten years at 150 per cent. The Morgan loan, the proceeds of which are to repay the Bank of France debt, is another example of a much more expensive debt being substituted. And each fresh internal loan of course depresses the existing loans. We can say little to comfort the holders of French rentes. If they are unwilling to cut their losses, perhaps the best that they can do is to turn their accumulated interest into some value by spending their holidays in France.

NATIONAL MUTUAL LIFE ASSURANCE SOCIETY.

The Ninety-Fifth Annual General Meeting was held at the Society's House, No. 39, King Street, Cheapside, London, on Wednesday, January 28th, 1925, Mr. J. M. Keynes, the Chairman, presiding.

The Chairman said:—

I am happy to be able to announce exceptionally satisfactory results for this first year of our new policy of Annual Valuations and Declarations of Bonus. Our gross profits for the year amount to £215,902, made up as follows:

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Interest earned on the carry-forward from the previous year		20,824
Total		£215,902

We have declared, out of this, a reversionary bonus for the year of 42s. per cent., the same as for the quinquennium which ended last year. This bonus will cost, inclusive of interim bonuses at the same rate paid during the current year, £77,786. Thus the payment of a rate of bonus, which, relatively, is high, will absorb not much more than one-third of the earnings of the year. It is covered by the miscellaneous trading profits and interest earnings, without touching the capital appreciation or the interest earned on the surplus carried forward.

In accordance with my anticipations last year, we have been able to deal with the Class A policyholders, the sum required to pay off these policies and wind up the class, in excess of the reserve held, being £21,456. We have also strengthened the basis of valuation of the non-profit policies at a cost of £8,401. After deducting these items and the valuation expenses, the amount carried forward is increased by £106,759 to £575,290, which is 16½ per cent. of our liabilities.

The net rate of interest earned, after deduction of income-tax on assets other than Reversions, has amounted to £4 11s. 3d. per cent., which is a satisfactory increase on last year's figure of £4 6s. 3d. per cent. Our expense ratio has fallen from 16.7 per cent. to 15.3 per cent. New Business shows a total of £672,038, which is considerably the highest figure in the Society's history.

There remains the important item of £117,000, which represents capital appreciation, namely about 3 per cent. of the mean Fund of the year. Thus, in interest and appreciation together we have earned at the rate of about 7½ per cent. per annum free of income tax. We cannot hope to maintain so high a rate of earnings year in, year out, in future. Nevertheless, we have now earned at this rate as an average over a period of no less than six years.

Since we are bound to have downs, as well as ups, in future, it is worth while to point out that the maintenance of the present rate of bonus is in no way dependent on the recurrence of such good fortune with our investments as we have had lately. It will be observed that, for the past year, it has not been necessary to use any part of our capital appreciation for the payment of Bonus. But this has also been the case during the whole period of the past six years, during which capital appreciation has been accruing. So far we have not drawn upon this source for the payment of bonuses, but have used all of it for strengthening our general position in various ways, as, for example, by the establishment of a Fund for Staff Pensions, and, mainly, by adding to our carry-forward. I may add, since some people attach importance to the point, that almost the whole of this capital appreciation has been realized.

The result is that the interest alone on our surplus funds carried forward now amounts, calculated at 4½ per cent. net, to nearly £26,000 per annum, which by itself is the equivalent of a bonus of 14s. per cent. per annum on our policies now outstanding. Thus, apart from any future earnings out of capital appreciation, and apart from the safeguard which this carry-forward gives us against the results of any depreciation of capital, which we are likely to suffer from time to time in future years, we are in an unusually strong position as regards our capacity to earn bonus.

This position, however, satisfactory as it must be to our members, raises questions of great difficulty and perplexity for the Board, of which, in my opinion, we have not yet found the final solution. It is obvious, in the light of the

figures which I have just given you, that we are selling new policies much too cheap. We are admitting newcomers without charge to the benefits of the large surplus which the Society has now accumulated. This is, of course, always so to a moderate extent in the case of the with-profit policies of any prudently conducted office which has built up a sound position. The question is one of degree. But I do not know of any recent precedent for the right solution of this problem in the degree in which it now presents itself to your Board. Should we distribute much larger bonuses at irregular intervals? Or close the present series of policies and raise our rates of premium to new members (to which there are many technical objections)? Or take steps, in other ways, to limit the amount of new business?

On the present occasion your Board have decided to take tentative steps towards the limitation of the amount of new business and to concentrate our efforts on securing larger policies and on obtaining these as cheaply as possible. Further, if the total of New Business in any year should reach a figure which the Board considers to be the maximum in the interests of the Society, we shall reserve a discretion to impose a limit on the total with-profit business to be accepted in that year.

We have also resolved to reduce our rates of premium for Non-Profit policies, in order to encourage a class of business advantageous to the with-profit members, which has been shrinking in recent years to a low figure.

The prospects for general prosperity appear much more secure than they did a year ago. But the perturbations which may attend the restoration of the Gold Standard, and the possibilities of dearer money, will give your Board plenty to think about in the never-easy but always-interesting task of conducting the affairs of the National Mutual Society.

The resolution was unanimously adopted.




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AN INDEX OF STOCK EXCHANGE VALUES.

"THE Investor's Chronicle and Money Market Review" has started a new Monthly Securities Index which is a good deal fuller than anything available hitherto, and seems likely to prove extremely useful. The figures have been calculated separately for 31st December of each year from 1919 onwards, and also for each month during 1924. We understand that the table will be kept up to date in future at monthly intervals. The following table of values at the end of each year is interesting:—

YEAR-END INDEX OF STOCK EXCHANGE VALUES.
DECEMBER 31ST OF EACH YEAR.

I. GILT-EDGED.	1919.	1920.	1921.	1922.	1923.	1924.
(a) British Funds ...	91.0	81.2	89.2	98.6	100	102.1
(b) Colonial Funds ...	85.4	80.5	89.7	98.9	100	102.7
(c) Corporation Funds ...	86.8	78.3	90.4	100.4	100	100.7
Index Gilt-edged ...	87.7	80.0	89.8	99.3	100	101.8
II. BUSINESS.						
1. Fixed Interest.						
(a) British Rail Debs. ...	85.5	78.0	86.4	101.3	100	104.1
(b) High-cl. Ind. Debs. ...	91.8	79.7	84.1	100.9	100	101.7
Index Fixed Interest ...	88.6	78.8	85.2	101.1	100	102.9
2. First-Class Business.						
(a) Rails Ordinary ...	77.2	58.2	56.7	95.5	100	103.4
(b) Banks Ordinary ...	93.7	75.7	87.0	100.4	100	106.5
(c) Insurance Ord. ...	93.4	66.2	74.3	86.5	100	125.5
Index First-Class ...	88.1	66.7	72.7	94.1	100	111.8
3. Second-Class Business.						
(a) Brewery ...	80.5	66.2	76.9	96.2	100	132.5
(b) Chemicals ...	105.6	72.1	50.4	80.6	100	111.0
(c) Coal ...	122.1	109.0	90.3	100.1	100	98.8
(d) Gas, Electricity ...	66.1	60.3	61.9	89.2	100	111.9
(e) Hotels & Catering ...	98.3	86.9	70.7	90.3	100	111.0
(f) Iron and Steel ...	162.5	121.0	90.6	113.4	100	87.0
(g) Newspapers ...	76.7	66.5	70.9	92.4	100	121.7
(h) Shipping ...	198.8	107.5	101.2	133.9	100	114.1
(i) Textiles ...	119.4	78.7	67.2	96.5	100	125.7
(j) Miscellaneous ...	180.5	98.8	77.5	98.4	100	113.5
Index Second-Class ...	121.0	86.7	75.8	99.1	100	112.7
Index All Business ...	110.3	81.7	76.4	98.4	100	111.2
III. SPECULATIVE.						
(a) Gold-Mining ...	98.3	72.1	62.4	94.8	100	111.5
(b) Land ...	136.4	111.8	97.6	104.2	100	104.3
(c) Nitrates ...	85.3	73.1	55.7	72.3	100	112.5
(d) Oil ...	230.1	149.9	117.4	124.1	100	121.3
(e) Rubber ...	210.1	105.3	85.9	105.0	100	135.5
(f) Tea ...	69.1	47.2	54.8	72.9	100	165.9
(g) Tin-Mining ...	145.2	85.6	78.9	86.3	100	155.4
Index Speculative ...	139.2	92.1	79.0	94.2	100	129.5
Index All Stocks ...	115.6	84.4	78.7	97.3	100	115.2

This table brings out vividly what very large profits have accrued to investors who have been clever enough, not necessarily to choose the most successful companies, but to acquire an average holding in the groups which have been profitable in recent years. The outstanding case is of course Tea shares, the average for which is three times what it was at the end of 1921. But there are several other groups on which, during the past two years, phenomenal profits have been obtainable for the group as a whole, notably insurance companies, breweries, chemical manufacturers, gas and electricity concerns, and textiles. In every one of these groups the value of the shares has gone up by more than 66 per cent. in the past three years. Iron, steel, and coal, on the other hand, are the outstanding failures.

The improvement in the gilt-edged market took place, it will be seen, entirely in 1921 and 1922, and has made no appreciable progress since that date. On the other hand, the improvement in other groups did not begin until 1922, and has continued on a substantial scale in 1924.

The table brings out one result which may surprise the average investor. Does he realize that if he had invested at random, that is to say, without either special skill or special misfortune, and without preferring any one group to any other, the value of his holdings should have gone up by 46 per cent. on the average during the past three years? On a strict view of the case, any investor who has done worse than this has cause to blame himself. But, of course, this much exaggerates the increase in aggregate value, since, on the whole, the stocks which have risen least are those which employ the greatest capital.

Whilst gilt-edged stocks now stand 14 points above what they were at the end of 1919, the indexes of business stocks and of all stocks now stand almost exactly at the same figures as at the end of 1919.

INDIAN INVESTMENTS.

INDIA presents the remarkable spectacle of a prosperous commercial country possessing, at the same time, all the elements for political volcanic eruptions. In spite of club chatter and irresponsible vapourings, its securities yield a moderate return when all the facts are taken into consideration. It might be argued, of course, that the low yield is on account of the close relation of Indian loans to the English Consol Market, while some significance is supposed to lie in the fact that Indian Government loans are quoted in the London Stock Exchange Official List with British gilt-edged securities as distinct from those loans of other States in the British Dominions which appear under "Colonial and Provincial Government Stocks." It has also been emphasized that Indian loans are raised with the special consent of the British House of Commons. But it is extremely doubtful whether these facts can be construed as an undertaking by the British Treasury to guarantee these issues.

Apart from this, however, British firms operating in India are extending their activities; they are building and equipping factories, and this in itself should inspire some confidence in the future. It should not be overlooked that India is the greatest manufacturing country in the tropics and the eighth greatest in the world, while her transporting and distributing services (including railways and ports) deal annually with a volume of trade probably much in excess of all the British self-governing Dominions put together. Before the war India's export trade averaged about £146 millions per annum, of which some 25 per cent. came to the United Kingdom, and 17 per cent. went to other parts of the Empire. Of the remaining 58 per cent., Europe absorbed 31 per cent. Although more than six years have elapsed since the termination of the war, Continental Europe has not yet fully recovered its pre-war buying capacity, and this fact has, to some extent, prejudicially affected India as a seller of raw products. Yet, in spite of this, India's overseas trade has more than recovered to the 1910-1914 level, last year's exports alone being valued at over £232 millions. In relation to this increase in exports must naturally be recorded an advance in imports. For the five years ended March, 1914, India's imports (exclusive of the precious metals) averaged £97 millions per annum. During the last three years they have averaged over £161½ millions, although since 1920-21 there has been some reduction.

The strength of India's financial position is readily ascertainable. Her total National Debt, including Unfunded Debt—Provident Funds, Post Office Deposits, &c.—and also the capital value of terminable Railway Annuities under redemption, is only about £600 millions, taking 15 rupees to the pound sterling. Of this no less than £400 millions is classed as "productive," that is, invested in public works, such as Railways, Canals, Docks, &c., the revenue from which yields each year a sum more than sufficient to pay the interest on the National Debt. Thus, on strictly financial grounds, investors have nothing to complain about.

So far as British investors are concerned, their interest is chiefly limited to the following active securities, which are quoted on the London Stock Exchange:—

Stock.	Redeemable.	Price.	Yield %
3½% At Government option after 1931	68	£ s. d.	5 3 0
3% " " " " 1948	58		5 3 6
2½% " " " " 1926	48		5 4 3
7% Loan October, 1926—1931.	107		5 16 0
5½% Loan January, 1932.	102		5 3 0
4½% Loan May, 1950—1955.	89		5 6 3

The yields shown in the table have been worked out to include profit or loss on redemption. The flat yield on the 4½ per cents. at 89, for instance, would be £5 1s. 3d. per cent., but in addition there is a profit of £11 per cent. due on redemption. Inci-

BANK OF LIVERPOOL AND MARTINS, LIMITED.

NINETY-FOURTH ANNUAL MEETING.

THE NINETY-FOURTH ANNUAL MEETING of Shareholders of the Bank of Liverpool and Martins Limited was held at Liverpool on Tuesday last, Mr. W. R. Glazebrook, the Chairman, presiding over a large attendance.

The Chairman, in moving the adoption of the Report and Accounts for the year 1924, referred to the death, in October last, of Sir James Hope Simpson, who (after his retirement from the post of General Manager in 1923) had continued to serve the Bank as a Director. Sir James was not only a great Banker who was recognized at home and abroad as an authority on finance, but he was also endowed with a keen sense of public duty, and in a variety of ways rendered services of civic and national importance. The Directors also greatly regretted the loss of Mr. Benjamin Noble, a Director on the North-Eastern District Board, who died in September last at an advanced age.

PROFITS AND THEIR DISPOSAL.

The Accounts showed that the profits for the past year, after making all necessary provisions, amounted to £530,442, compared with £486,965 in the previous year. This sum, together with the balance brought forward from the last Balance Sheet, gave a disposable balance of £667,684, which had been allocated as follows: £100,000 to Reserve Fund, £50,000 to Premises Account, £375,822 to payment of Dividends, leaving £141,862 to carry forward to next Account. Besides the sum of £50,000 allocated to Bank Premises Account, a further amount of £250,000 had been transferred to that Account from Investment Reserve Account, this being in view of the important building programme in contemplation, which included the erection of a new Head Office Building on the magnificent island site in Water Street, Liverpool, recently acquired. It was proposed to erect a building which would be worthy of the Bank and of the City. The decrease in Current, Deposit and other Accounts had been caused chiefly by reduction in the credit balances of customers who required the money in connection with their businesses.

FOREIGN EXCHANGES AND THE GOLD STANDARD.

Foreign Exchanges in 1924 were less erratic in their movements than in 1923, but the continued depreciation of certain Continental currencies had made it difficult for manufacturers in this country to place their goods, while in some instances it had enabled foreign competitors to undercut them in the home market. The most gratifying feature had been the continued and substantial appreciation in the value of Sterling in New York. The near approach to parity had caused talk of an early return to a free gold market in this country. There could be no question as to the advantages to be derived from the re-establishment of the gold standard. It was essential, however, that its restoration should be on a sound and enduring basis. The economic position would not in itself suffice to keep the Exchange near parity, and until hard facts, apart from sentiment, justified the change, it would be premature and unwise to take a step which might have embarrassing results. The large amount to be provided annually by this country for debt repayment to the United States was an enormous weight on the Exchange. Also there were large American balances employed on this side which might be recalled at any time. They could, however, rest assured that the able financial advisers of the Government would not recommend the removal of the embargo on the export of gold until they were confident that this could be done with safety.

COTTON AND TEXTILE TRADES.

Reviewing trade conditions in 1924 and dealing first with the cotton trade, the Chairman remarked that after almost four years of unprecedented depression the cotton spinning and manufacturing industries had, during the past few months, shown definite sign of improvement. In the

last quarter of the year spinners of American cotton generally were able not only to sell their yarns at a profit but to increase their hours of working without loss of margin. Manufacturers of cloth, especially staple lines, had not had a satisfactory year, and many concerns were for a time entirely closed down. By the end of the year, however, matters considerably improved, and many more looms were now running than was the case a year ago. With a plentiful crop of raw material assured and generally improved stability in the Exchanges, it would seem that the trade, as a whole, entered upon the New Year with prospects much brighter than appeared probable or possible twelve months ago.

In the Wool textile industry the chief feature had been the marked advance in the value of raw material, due rather to the shortage of supplies than to increased consumption demands. Spinners had not been fully employed during the year, and their margins were now cut very fine. Increased Continental competition, the constant rise in the price of raw material, and high production costs were factors bound to have a deterrent influence on trade. The outlook was therefore uncertain.

SHIPPING PROSPECTS BETTER.

The condition of shipping was still far from satisfactory, but the large amount of obsolete tonnage broken up during the last twelve months had materially assisted in relieving the position. It should also be remembered that this industry was usually the last to feel the full benefit of a revival in trade. The amount of tonnage laid up in British ports was now only about half the amount lying idle at the beginning of 1924, and the tonnage under construction in Great Britain and Ireland at the end of December was less than twelve months ago. The fact that shipbuilding prices showed an upward tendency was a circumstance which had induced some shipowners to place orders in anticipation of future requirements. On the whole the prospects were in favour of a slow improvement during the present year.

COAL TRADE OUTLOOK SERIOUS.

When reviewing trade conditions twelve months ago, the Chairman continued, he had referred to the coal trade as one of the bright spots. Since then the situation had completely changed. The settlement in the Ruhr and the increased production of coal in France had produced an increasingly keen competition in markets where our trade was formerly almost unchallenged. All through the last twelve months the home demand for fuel had been at a low ebb as a result of so many Iron and Steel works and shipyards being idle. If the present high cost of living continued it was improbable that any decrease in cost of production could be obtained through wages, and on the other hand large consumers could not pay more for their coal. In addition, the export trade was likely to continue to suffer, owing to the longer hours worked by foreign miners and their greater production per shift. The outlook was thus serious. The close dependence on the coal trade of the iron and steel trade, the shipbuilding trade, and, indeed, every trade in the country made it of paramount importance that some means should be found which, while equitable alike to coal owners and miners, would secure adequate and continuous output of coal at a price which our home industries could afford to pay, and which would enable us to compete in foreign markets.

IRON, STEEL, AND AGRICULTURE.

The iron and steel industries had been working under great difficulties. High costs had almost put our manufacturers out of the market, but at the moment there was a slight turn for the better and more confidence was being felt as to the future.

Agriculture had remained unsatisfactory, many farmers finding difficulty in meeting expenses. The Government were considering schemes to assist agriculture, and it was to be hoped that some effective measure of relief would be introduced which would supplement the assistance given by Banks, and, by enabling farmers to cultivate their farms

(Continued on page 627).

dentally, this profit is paid to the holder free of tax—a weighty consideration in these days. In the case of the 7 per cents., however, these are redeemable at par in October, 1931, or at 102 on any half-yearly date from October 5th, 1926, to April 5th, 1931, while the 5½ per cents. are due for repayment at par on January 15th, 1932; thus, purchasers of these two issues at present prices would suffer slight losses on redemption.

All of the above-mentioned are Trustee investments, but Trustees must, of course, observe the customary precautions with regard to those stocks standing at a premium. On the first three mentioned stocks the coupons—all of them are payable at the Bank of England—are due quarterly, which makes them very attractive to some investors.

VENEZUELAN OIL COMPANIES.

WHEN an oil company has spread its risks over most of the oilfields in the world, it may fairly be classed, as we have said previously of the Shell group, as an industrial organization subject only to the ordinary risks of trading. But a producing oil company confined to one particular country is subject to all the risks of the oil game in addition to those of trade. This must be said of the oil companies operating in Venezuela—they fall within the most speculative class of securities. Yet because it seems to be acknowledged by the oil experts that Venezuela will become a second Mexico, the far-sighted speculator has naturally turned his attention to the shares of Venezuelan oil companies. It is of interest to consider the prospects—near and distant—of some of the many companies operating. The American probably outnumber the British, but the companies whose shares are quoted on the London Stock Exchange are few. The chief are V. O. C., Ltd., the British Controlled Oilfields, and, shortly, the Lago Corporation.

As regards development work in the field, the V. O. C. is the most advanced. Its properties are believed to be of great value; it has proved oilfields at La Rosa-Junta on the west side and La Paz on the east side of Lake Maracaibo; and it is selling its production to the Shell group. It must not be overlooked, however, first, that the V. O. C. has not yet paid a dividend and has still to incur large expenditure on field development and transportation facilities, while its shares already stand at over £3; secondly, that the Shell group are interested in the V. O. C., and are believed to have purchased sufficient shares in the market to give them majority control. If that be so, the investor will naturally find greater security by putting his money in the parent company rather than in a subsidiary whose development has to conform to the policy of the parent group. The British Controlled Oilfields is the next most advanced. It has proved a small oilfield yielding a high-grade oil, with exceptionally high petrol content, at El Mene on the western portion of its Buchivacoa Concession. It is producing and shipping oil from its El Mene field, and last year 142,610 tons were taken by the Shell group. The interesting feature of the position to-day is that the new 6 in. pipeline from El Mene to the Maracaibo Lake port has been completed, making the "through-put" of the two pipelines (6 in. and 4 in.) approximately 8,000 barrels a day. This output could very rapidly be doubled. The prospect before the company is undoubtedly attractive, but the chief objection from the investor's point of view lies in the unsatisfactory accounts that have so far been presented to shareholders. The company has an issued capital of \$25,000,000 7 per cent. Convertible Preferred Stock, and \$20,000,000 Common Stock, and much of it, represented by concessions outside Venezuela since annulled, has vanished. The last published accounts of the company (July, 1923) made no allowance for depreciation, and a conservative policy would necessitate ample provision in this respect before any dividend payment on the Preferred capital. During 1923, the Preferred shares stood as low as 5s. 9d. The present price is about 19s. 3d. The Lago Corporation,

whose shares will shortly be introduced on the London Stock Exchange, presents a sounder, if less volatile, proposition. The company is half-owned by Lord Inverforth's group, a guarantee that its finances are in capable hands. The Corporation owns the valuable concession covering the entire "bed of the lake" (Maracaibo), and not long ago took over the British Equatorial, which held some of the "edge-of-the-lake" concessions. It is producing from wells which are said to "off-set" the V. O. C. wells at La Rosa. Its production is being shipped on shallow-draught tankers to a terminal at Aruba Island (where a refinery will be built) and thence to the Agwi refinery in England. If the British Controlled is more advanced in its production, Lago is certainly more advanced in its shipping and marketing facilities. Lago shares can be dealt in on the New York Stock Exchange at about \$6.

YIELDS OF GILT-EDGED SECURITIES.

THE following table is designed to show the net yield for the leading securities on the gilt-edged market in a more informative way than in the usual lists.

The investor has four things to consider: (1) The flat rate of interest yield, *i.e.*, the percentage that the annual interest bears to the purchase price; (2) the profit or loss on redemption; (3) the amount of accrued interest included in the purchase price; (4) the effect of income tax. Since income tax (and super-tax) are payable on the flat yield and not on the yield allowing for loss (or profit) on redemption, the deduction of income tax affects more adversely those securities on which the flat yield exceeds the yield allowing for redemption, and more favourably those on which the flat yield is less than the yield allowing for redemption.

In the following table, therefore, we give in three columns (1) the flat yield, (2) the yield allowing for accrued interest and loss (or profit) on redemption, and (3) the net yield after deduction of income tax. It is the figure in the last of the three columns that generally matters to the average investor, although he often attends only to the figure in the first column.

	Opening Prices 28 Jan. 1925	Gross Flat Yield £ s. d.	Yield allowing for accrued interest and loss or profit on redemption		
			Gross	Net after deducting Income Tax	
			£ s. d.	£ s. d.	£ s. d.
<i>Long-dated Securities—</i>					
3½% Local Loans ...	66½	4 10 4	4 10 7	3 10 3	
3½% Conversion Loan (1961 or after)	78½	4 9 8	4 10 7	3 10 3	
4% Victory Bonds (1976)	93½	4 5 10	4 9 0	3 9 5	
4% Funding Loan (1960-90)	60	4 8 11	4 10 3	3 10 0	
<i>Intermediate Securities—</i>					
5% War Loan (1929-47) ...	101½	4 18 7	4 15 5	3 13 2	
4½% Conversion Loan (1940-44)	97½	4 12 7	4 14 9	3 13 11	
<i>Short-dated Securities—</i>					
3½% War Loan (1925-28)	97½	3 12 0	4 17 1	4 0 8	
5% National War Bonds (1927)	105½	4 14 5	4 8 7	3 7 4	
4% National War Bonds (1927)	100	4 0 0	—	4 0 0	
5½% Treasury Bonds, A & B (1929)	103	5 6 10	4 13 11	3 9 11	
5½% Treasury Bonds, C (1930)	103	5 6 10	4 17 0	3 13 0	
5% Treasury Bonds, D (1927)	100½	5 19 5	4 14 0	3 11 8	
4½% Treasury Bonds (1930-32)	98½	4 11 0	4 13 6	3 13 1	
4% Treasury Bonds (1931-33)	94	4 5 1	4 18 0	3 18 10	
<i>Indian and Colonial—</i>					
India 3½% (1931 or after)	68½	5 2 4	5 2 0	3 19 7	
Commonwealth of Australia 4½% (1940-60) ...	96½	4 18 0	5 0 4	3 17 9	
Sudan 4% Gtd. 1950-74 ...	88½	4 10 8	4 16 4	3 14 8	
Gt. Western 4% Debs. ...	86½	4 12 3	4 12 6	3 11 11	
L. & N.E.R. 1st 4% Pf.	81	4 18 9	5 0 10	3 18 2	

(Continued from page 625.)

adequately, have the effect of checking the laying down of arable land to grass, a process which, in view of the country's dependence upon imported cereals, was of serious moment to the community.

GREATER CONFIDENCE IN MOST QUARTERS.

The Chairman continued: Speaking generally, Trade conditions during 1924 were disappointing, but in the last few months of the year a welcome improvement occurred, and we now find in most quarters a feeling of greater confidence. That this is not entirely due to sentiment is shown by the Board of Trade Returns, by the largely increased amounts passing through the London and Provincial Bankers' Clearing Houses, and, in our own Institution, by the increasing turnover on Customers' accounts disclosed by the Weekly Returns from our various Districts. It must, however, be borne in mind when considering the London Clearing House figures that the more frequent turning over of money in the Short Loan Market and investment transactions have largely contributed to the increase.

The question of costs is still most serious, and manufacturers and traders alike are crippled by the heavy toll demanded by the Government. A reduction of Income Tax would undoubtedly stimulate trade.

The problem of unemployment is also grave, but I am hopeful that its pressing nature will be relieved to some extent by a real trade improvement, of which, as I have already remarked, there are encouraging signs.

OUTLOOK GENERALLY BETTER.

Last year the uncertain outlook at home and abroad and the chaotic condition of Foreign Exchanges made me hesitate to attempt to forecast the prospects of trade for 1924. Since then a great movement has been made towards the removal of the obstacles which, since the War, have blocked the way to a return to stability and to normal conditions of international trade. The Dawes Plan has been formulated and presents a possible solution of some of the worst of Europe's difficulties. The scheme has already accomplished much and paved the way for the stabilization of German Currency and the settlement of the reparation question. The example set by Austria in its earnest endeavour to balance its Budget has been followed by other countries which have realized the destructive consequences of inflation and the importance of returning to sound principles of finance. The credit of our own country has further advanced in the eyes of other nations, and our Pound has practically regained the proud position it occupied before the War. With such evidence of improved conditions I feel some confidence in expressing the view that we are at last emerging from the uncertainty and depression of the last few years, and that, given freedom from industrial struggles and strikes, a steady improvement in trade may be looked for. There are, however, essential conditions—fortunately within our own control—which must be observed if we are fully to re-establish our pre-War position and regain our foreign trade, which is the life-blood of the nation. Of these the chief are hard work and economy, and an earnest endeavour on the part both of employer and employed to bring down the cost of the goods they manufacture to a level which will enable them to compete in foreign markets with similar goods manufactured abroad. There must be co-operation and a combined effort to obtain the maximum output at the minimum cost, and at the same time to manufacture goods which will justify the world-wide reputation this country enjoys for reliable and high-class workmanship.

In conclusion, the Chairman thanked the management and staff for their efficient services during the past twelve months, and expressed the hope that the present year would show increased activity in all departments of trade, and be a prosperous one for the Country and for the Bank. (Applause.)

Mr. R. M. Holland-Martin, one of the Deputy Chairmen, seconded the motion, which was carried unanimously.

On the motion of Mr. E. C. Thin, seconded by Mr. J. E. Gordon, Sir Frederick W. Chance, K.B.E., D.L.,

Mr. Edward Paul, Mr. W. Peart Robinson, and Mr. Isaac H. Storey who retired by rotation, were reappointed Directors of the Bank, and the appointment of Mr. E. B. Orme as a Director was confirmed.

On the motion of Col. R. Montgomery, seconded by Mr. Samuel White, Messrs. Harwood Banner & Son, of Liverpool, Messrs. Peat, Marwick, Mitchell & Co., of London, and Messrs. Thomas Bowden, Sons & Nephew, of Newcastle-upon-Tyne, Chartered Accountants, were reappointed Auditors.

Mr. Hugh Lewis, proposing a vote of thanks to the Directors, the Committee of Management, and to the General Manager and other Officers of the Bank for their valuable services during the year, said post-war conditions had cast heavy responsibilities on those connected with the management of great financial institutions such as the Bank of Liverpool & Martins, especially as regards policy, on which so much depended. It was, therefore, a matter of profound satisfaction that the traditions of this famous Bank were in such safe hands.—(Hear, hear.)

Mr. R. T. Cunningham having seconded, the motion was cordially approved.

Mr. T. Fisher Caldwell (General Manager), in response, assured the shareholders that their expression of confidence was greatly appreciated. So far as the Directors were concerned, and particularly the Committee of Management, he would like to join in the thanks to them for their constant and careful attention to the affairs of the Bank. He could not speak too highly of the able support of his colleagues, the Assistant General Manager (Mr. A. F. Shawyer), the Chief Officers, District Managers and Branch Managers, the result of whose efforts, together with those of their Staffs, was reflected in the Balance Sheet.

A cordial vote of thanks, proposed by Mr. Rex Cohen, was extended to the Chairman, whose reply brought the Meeting to a close.

BANK OF LIVERPOOL & MARTINS LIMITED.

Head Office: 7, WATER STREET, LIVERPOOL.

London Office: 68, LOMBARD STREET, E.C. 3.

Capital Subscribed ...	£18,791,120
Capital Paid Up ...	2,348,890
Reserve Fund and Surplus	
Profits ...	1,841,862
Deposits, etc., at 31st Dec.,	
1924 ...	61,290,020

365 BRANCHES AND SUB-BRANCHES.

All descriptions of Banking, Trustee and Foreign
Exchange Business Transacted.

MIDLAND BANK, LIMITED.

THE ORDINARY GENERAL MEETING of the Shareholders of the Midland Bank Limited was held at the Cannon Street Hotel, London, E.C.4, on Tuesday, January 27th, for the purpose of receiving the Report and Balance Sheet, declaring a Dividend, electing Directors and Auditors, and transacting other ordinary business.

The Chairman (The Right Hon. R. McKenna) said: My Lords, Ladies and Gentlemen,—During the year just elapsed Europe has made a remarkable approach to stable conditions of money. After almost unparalleled inflationary excesses a painful struggle is being made towards balanced budgets, national solvency, and a sound monetary basis. In England inflation was never carried to a point at which alarm could be felt for the permanent stability of our currency, but we have not been without our own anxieties. The fear was expressed that the position of London as the financial centre of the world might be endangered by the decline of our currency from gold parity, and the threat was thought to be accentuated by the re-establishment of the German mark. The movement in the American exchange has quite recently brought the pound within measurable distance of parity with the dollar, and the full restoration of the pre-war monetary system is generally expected. A reinstatement of the gold standard will be an event of first-rate importance, and with your permission I should like to say something on the subject of currency values before I come to my review of the work of the Bank.

CURRENCY VALUES AND GOLD CONTROL.

The question of currency values opens a wide field of discussion. It covers all such topics as the relation between currency and credit, price level, trade, and employment. It touches economic problems which have attained a new significance through the growth of joint stock banking and the wide extension of the use of credit in trade. Although the older economists throw but little light on the subject in its recent developments, some of the foremost of our modern teachers, both here and in America, are giving considerable attention to it. They point out that a close connection exists between currency value and the volume of credit, and they discuss the possibility of a more effective use of credit control as a means of modifying fluctuations in the price level, preventing trade crises, and mitigating the extremes of unemployment.

The problems of credit are in a sense inherent in the banking system, but their full gravity has only become apparent since the war. Before 1914 there existed a condition which concealed the underlying importance of credit control. The growth of joint stock banking occurred when gold was the basis of all the principal currencies, and the movement of gold regulated almost automatically the issue of currency and the supply of credit. As long as the world's output of gold was not too much above or below current requirements, the central banking institutions in the different countries had normally little difficulty in adjusting their policy to meet the needs of trade. We had, it is true, from time to time financial crises when the automatic machinery broke down, but in our country at any rate immediate relief was always obtainable. The gold control was suspended by a letter from the Chancellor of the Exchequer authorizing the Bank of England to issue notes against securities in excess of the limit imposed by the Bank Charter Act, and confidence was invariably restored.

To-day we live under a new dispensation. In countries that have been forced off the gold standard we have seen the latent possibilities of credit inflation and currency depreciation, which had never in modern experience appeared in their extreme manifestations. Here we are nominally, though not actually, still on the gold standard and, as is so often the case with us, we retain the laws and forms appropriate to conditions which no longer in fact exist. By statute the currency note is convertible into gold on demand, but we all know that we respect the law best when we do not avail ourselves of its provisions. The free issue of paper money was only permitted in times of crisis before the war as an urgent and temporary measure of relief, but to-day currency notes may be put into circulation to an indefinite amount with no other legal backing than a Government debt. I say legal backing because there exists a Treasury Minute which places some restriction upon the issue of notes, but even this Minute would have to be modified or withdrawn in certain readily conceivable conditions.

CHANGES IN PURCHASING POWER.

During the ten years that the currency note has been in existence our currency has varied widely in value in

relation to its nominal gold equivalent, or in other words in relation to the dollar. The sterling exchange has ranged from 3.19 to a point within two per cent. of parity. In February, 1923, it reached 4.72, and in January, 1924, it fell again to 4.21. The pound sterling is now finding its way back to parity and will probably soon stand at its full gold value, not because it will have climbed uphill to meet the dollar but because the dollar under the pressure of the surplus gold will have come down to the level of the pound. While, as we have just seen, the pound has varied considerably in relation to the dollar, sometimes rising, sometimes falling, the mean deviation from the yearly average price level in each of the years 1922, 1923, and 1924, has been less in England than in the United States. In 1922 the mean deviation from the British average was 2.87 and from the American 6.34; in 1923 the figures were 2.37 and 2.99 respectively; and in 1924 they were 2.58 and 2.91. If we take the whole period 1922 to 1924 the respective mean deviations were 4.30 and 4.90. Thus, on the basis of the official index numbers, the price level in England has been more stable during the last three years than in the United States. Measured by the standard of purchasing power the pound, which is not on the gold standard and has no regular restriction on its issue, has maintained stability better than the dollar, which is based on gold. How can this happen?

To answer this question we must turn our attention to a larger subject than currency. We have to consider money, of which currency forms only a part, and we must begin with a definition of the term.

MEANING OF MONEY.

The word money is currently used in many different senses and is associated with a great diversity of ideas. We say of one man that he is worth so much money and of another that he has so much in his business. We think of money as wealth and we habitually speak of it as capital. When we see any marked expenditure by the public we express our wonder where all the money comes from. But if we examine these phrases, we shall find that the word money is used with several different meanings. In order to make myself clear I shall define money in relation to my argument as currency in circulation and bank deposits drawable by cheque, but it would be pedantry to allege that other uses of the word are not equally warranted. The term money is used as a measure of value, and not as the thing itself, when we say a man is worth so much or has so much in his business. Money may properly be used in the sense of wealth in the hands of an individual owner, but with the exception of the comparatively small part consisting of gold, silver, or copper, which has a commodity value, it is not national wealth. With this reservation money is never capital in itself. According to the way in which it is spent it may be an agent for the creation or destruction of capital. When it is spent on production, capital is brought into being: when it is spent on consumption, capital is consumed.

CREATION AND CANCELLATION OF CREDIT.

I understand by it all currency in circulation together with bank deposits drawable by cheque, which in the aggregate represent the purchasing power of the public. By far the larger part of our total money consists of bank deposits.

The power of the banks to increase or diminish the total volume of money arises from the fact that when a bank makes a loan, or discounts a bill, or buys a security, a deposit is created; and when the loan is paid off, or the bill met, or the security sold, the deposit is cancelled. It will be found, however, on examination, that the exercise of this power is, in practice, strictly limited.

CENTRAL BANK CONTROL.

The cash held by the banks consists of currency and balances at the Bank of England. We shall not go far astray if we confine our attention to the Bank of England balances and leave currency out of consideration, as the causes which affect the former usually govern the amount of the latter. What is it that sends these balances up and down? For an answer I get back to the old formula, applying it now to the special case of the Bank of England. When the Bank of England makes a loan, or discounts a bill, or buys a security, or indeed anything, it creates a deposit, which in the ordinary course of trade becomes a deposit of one of the banks with the Bank of England itself. In the same way, when the loan is paid off or the bill met or the security sold, a deposit of some bank with the Bank of England to the amount of the loan, bill, or

security is cancelled. Thus the action of the Bank of England in lending or calling in, buying or selling, regulates the cash held by the other banks, and inasmuch as this cash is the basis of their loans to the public, it follows that the Bank of England ultimately controls the amount of deposits, that is to say the amount of money.

GOLD AS REGULATOR OF CREDIT.

I have dealt with the factors governing our present currency which, so far as it consists of currency notes, is only limited in its quantity by the control of credit. In the customary phrase of the day, it is a "managed" currency, as distinguished from one limited in amount by legal enactment, which usually takes the form of a restriction of issue except against gold. Beyond the fiduciary issue, £18,450,000 before the war and £19,750,000 now, Bank of England notes have to be covered pound for pound by gold. Federal Reserve notes, the principal currency of the United States, must have a minimum cover of 40 per cent. in gold; and 30 per cent. must be held against the notes now being put into circulation by the Reichsbank. Similarly the new currencies which are being established in other parts of Europe all have some definite relation to gold, conforming in this respect to the principle of limitation of issue almost universal before the war.

The pre-war restriction on the Bank of England note issue operated in practice as a restriction on credit in consequence of the maintenance by the Bank of a fairly constant ratio of reserve to liabilities. Since the introduction of the currency note, however, there has been no such strict adherence to a customary proportion. In other countries credit control has been provided for in some cases by statutory requirement. Thus the Federal Reserve Banks of the United States are obliged to maintain a minimum cover of 35 per cent. in legal tender against the demand deposits held with them by their member banks, and the new Reichsbank Act prescribes a reserve of 40 per cent. in defined liquid assets against day to day obligations.

When a currency is on a gold basis its value is fixed in relation to one commodity only, namely gold. We are apt to think that the value of gold is constant because so many grains are always exchangeable for a sovereign. But how unstable it may be in relation to commodities in general is shown by the recent history of the dollar, the purchasing power of which in 1914 was two-and-a-half times greater than in 1920.

CHANGES IN VALUE OF GOLD.

We are all familiar with the conditions under which an ordinary trade commodity falls in value. Sellers offer more than buyers will take at the current price and the price is reduced. But in the case of gold the process is not so simple. Sellers of gold can always obtain the full statutory price for their commodity in a gold standard currency, and there must be a depreciation of the currency, that is to say an upward movement in the price level, before there can be a reduction in the real return for the gold. How this depreciation happens is worth considering. The explanation is much simplified in present circumstances by the fact that there is now only one completely free gold market, the United States, and we can therefore restrict our view to what occurs in that country.

When gold, whether of native or foreign production, is offered for sale to any of the Federal Reserve Banks, it will be bought at its full rate of so many grains weight for a dollar. As the Federal Reserve Banks are central banking institutions, we remember that the effect of a purchase by any one of them is to create so much additional cash standing to the credit of the member banks. It is hardly necessary to repeat that this cash becomes the basis of additional loans, which create new deposits, or in other words increase the purchasing power of the public. Increased purchasing power unaccompanied by greater production leads to higher prices, and thus we complete the chain of events by which a purchase of gold is connected with a decline in value of the currency.

EFFECT OF GOLD IMPORTS.

During a period of fifteen months the effect of an inflow of gold in creating an expansion of credit was successfully counteracted, and it is interesting to note the actual course of events as recorded in the consolidated statement of the twelve Federal Reserve Banks. In April, 1923, 23 per cent. of the total assets consisted of earning assets, such as bills and securities, 60 per cent. consisted of gold, and the remaining 17 per cent. of other non-earning assets. In July, 1924, the corresponding

figures showed 17 per cent. earning assets, 66 per cent. gold, and 17 per cent. other non-earning assets. Since then earning assets have increased to 24 per cent., which has meant an upward movement in the balances of the member banks and a very considerable addition to the purchasing power of the public. The figures suggest that the Federal Reserve Board felt last summer that they had gone far enough in the policy of sacrificing earning assets in order to neutralize the effect of the incoming gold.

The larger movements in the sterling-dollar exchange have followed the course of the policy of the Federal Reserve Board. That policy has determined rates for money in the United States. When rates of interest were high, floating balances were held in New York and dollars bought in order to lend in that centre. When rates were low, dollars were sold and floating balances in sterling retained in order to lend in London. Thus money rates may exercise a powerful though temporary influence on the exchange through the transfer of balances. Ultimately the rate of exchange must approximate to the relation between the price levels in the two countries, but although this is the dominant factor there are other influences to which the exchange is sensitive and which operate upon it before the movements in price level can exercise their full effect.

SUPERIORITY OF GOLD STANDARD.

Let me summarize in a sentence what I have said so far. I have shown that during the last three years a managed currency has been kept more stable than one based on gold. We can supplement this favourable view by the further observation that considerable economy is effected by its use, as there is no need to incur the cost involved in buying and holding gold as a reserve. But when so much has been said, and it must be granted that it is a great deal, the case for a managed currency must be regarded as closed. On the other hand the gold standard has in existing circumstances great and striking advantages. In the first place it establishes an international measure of value, common to the whole world and universally accepted. It is automatic in its operation and it relieves the central banks of a responsibility which, notwithstanding our own fortunate experience, might not always be discharged with the knowledge and judgment indispensable for the prosperity of national trade. It is not however wholly inelastic. There is still scope under it for an exercise of discretion by the central institution, as we have seen in the recent action of the Federal Reserve Board. In our own country the effect of a movement of gold can to a considerable extent be counteracted by the Bank of England raising or lowering the ratio of reserve to liabilities.

But in the present state of knowledge and feeling one of the greatest advantages of the gold standard is its moral effect. A nation will think better of itself, will almost regard itself as more honest, if its currency is convertible into gold.

OUR OWN BANK.

Let me now direct your attention to the domestic affairs of the Bank.

You have doubtless examined the Balance Sheet which has been circulated with the Directors' Annual Report, and you will have noticed that our *Paid-up Capital and Reserve Fund* have both been increased by £1,115,970 during the past year. These increases are due to the completion of the arrangement for a fusion of interests between the North of Scotland Bank and ourselves. We have acquired 162,990 shares of the Scottish institution out of a total of 163,000, and when we obtain the remaining 10 shares, which are expected to be transferred shortly, we shall become sole shareholders in our latest affiliation.

At the end of the year *Current, Deposit, and other Accounts* amounted to £355,774,872, a decline of £4,492,850 as compared with the figure twelve months earlier. The falling off in deposits does not indicate any diminution in the volume of the Bank's business. It was due mainly to purely temporary fluctuations at the close of last year which did not occur in 1923.

Acceptances and Engagements on account of Customers have increased £2,650,713, and of this amount nearly two millions were attributable to acceptances. Forward accounts were also on a higher level, showing that traders are making great use of the facilities available for the purchase and sale of forward exchange, despite the fact that currencies were rather steadier during 1924 than in the previous year.

The first item on the assets side of the Balance Sheet, *Coin, Bank and Currency Notes and Balances with the Bank of England*, shows a total of nearly 51 millions or 14.3 per cent. deposits. The reduction in the proportion does not indicate any departure from settled policy. The

ratio was unduly low for exceptional and temporary causes; over the whole year, on the basis of our weekly figures, the ratio works out at 14.92 per cent.

The decline in cash was offset by an increase of 2½ millions in *Balances with and Cheques in course of Collection on other Banks*, which, as you know, are convertible into cash within from one to three days. Taken together the two items, cash and balances, amount to 68½ millions and represent 19.3 per cent. of our deposits, as compared with 19.2 per cent. last year. The liquidity of our position is still further emphasized by the rise in *Money at Call and Short Notice* to £16,926,145.

Investments at £42,725,269 are slightly higher. The greater part are short-dated; all are entered in our Balance Sheet at or below market price. *Bills Discounted* are down by 7½ millions, a decline which marks the balancing figure between the reduction in deposits and the increase in advances.

The next entry, *Advances to Customers and Other Accounts*, shows an increase of nearly two millions on the year. The fact that over one-half of our resources continues to be employed in the shape of loans and advances indicates our endeavour to give liberal assistance to trade.

Owing to the acquisition of the shares of the North of Scotland Bank, a notable increase has taken place in the aggregate of our investments in affiliated banks. The latter now amounts to £5,549,073, a figure less than the combined total of the paid-up capital, reserves, and undivided profits of the three subsidiary banks. I make this point to demonstrate that we have included in our balance sheet figure nothing on account of goodwill. The individual balance sheets of the subsidiaries are also in your hands. The *Belfast Banking Company*, the first to enter into close association with us, reports an increase in deposits and in advances. Another point of interest concerns the paid-up capital which has been increased by £100,000. This sum, you may recollect, was set aside out of the purchase price received for the branches transferred in 1923 to the Royal Bank of Ireland, and was shown last year under the heading "Special Account." The transfer to capital account extinguishes part of the uncalled liability on the Belfast Banking Company's shares.

The paid-up capital of *The Clydesdale Bank* has also been increased. In this case it was decided to issue 10,000 fully paid shares of £10 each to existing shareholders, and to take from the reserve a sufficient amount to pay for the new issue. The transaction is therefore represented by a transfer of £100,000 from reserve to paid-up capital. Acceptances, engagements, and bills are also higher than they were a year ago.

I have already referred to our new ally, the *North of Scotland Bank*. Here also there has been an increase in the amount of the paid-up capital, and the general progress of the bank has been eminently satisfactory. Complete harmony prevails between the four banks, and I can say with confidence that the linking of interests is a source of benefit to the banks concerned and to the public they serve.

The *Executor and Trustee Company* has continued to progress satisfactorily.

The remaining item in our Balance Sheet, *Bank Premises*, shows a small increase and now amounts to £5,763,551, a figure well below current market values. During the year we have opened sixty-four new offices and carried out valuable improvements and extensions to our premises. We are now operating over 1,800 branches in England and Wales, and the affiliated Banks over 400 branches in Scotland and Northern Ireland.

I now come to the *Profit and Loss Account* of the Bank for the past year. The net profit works out at £2,424,993, or about £200,000 more than for the previous year. If we add to this amount the balance brought forward we have a total of £3,222,062 available for appropriation. The Board decided to recommend a dividend at the usual rate of 18 per cent. per annum less tax, which absorbs £1,670,595, a larger sum than in 1923 owing to the increase in our capital.

Out of the balance, £250,000 has been allocated to *Reserve for Future Contingencies*, as compared with £300,000 a year ago. You will doubtless agree with me that as the sky clears and the foundation of business becomes firmer there is no longer the necessity to make reserve appropriations on the same scale as in a year of doubt and decline. We have made a further addition of £100,000, however, as was the case last year, to the amount devoted to *Bank Premises Redemption Fund*, to which is appropriated £500,000 out of the past year's profits. By these means, as I have previously reminded you, we are assured that no over-valuation can occur in our Balance Sheet under the heading of *Bank Premises*.

We are thus left with a slightly increased balance of £801,467 to carry forward into the year 1925.

The increase in our profits in 1924 as compared with the preceding year may be regarded as highly satisfactory. It was due in no small part to a more rapid turnover of our resources. Reviving trade and livelier Stock Exchange dealings must both involve a more energetic utilization of banking resources.

Before I conclude I am compelled by something more vital than mere conformity to custom to pay a tribute to the loyalty and efficiency of our Staff. Without their ungrudging aid the attainment of such excellent results as have accrued from the past year's working would have been impossible. At the close of 1924 we announced that the whole of the cost of living bonus originally granted to members of the Staff to enable them to cope with higher living expenses was to become a part of the basic salary. I have no doubt our action in this respect will meet with the same approval from you as it received from the Staff.

Let me in closing say one word about the future. We have many hopeful indications in the foreign situation. The happy outcome of the Dawes Report and the London Conference, the successful efforts at reconstruction in Central Europe, and the satisfactory results of the negotiations just concluded in Paris are all events which mark stages in the progress of the world towards true conditions of peace. But however important the restoration of Europe may be, it cannot bring us prosperity unless our internal conditions are sound. The pressure of taxes, which is far heavier in this country than in any other in the world, is too great for our trade to bear. Our present taxation eats deep into the reserves which are indispensable for business expansion, and we cannot develop as we would wish without increased capital resources. Economy in national expenditure is vital.

The Report was adopted, and the proceedings terminated with a vote of thanks to the Chairman.

IMPORTANT ANNOUNCEMENTS

THE NATION & THE ATHENÆUM
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IT GIVES A VIVID PICTURE OF THE
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IMPRESSIONS OF THE LIBERAL CONVENTION

By RT. HON.

C. F. G. MASTERMAN

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